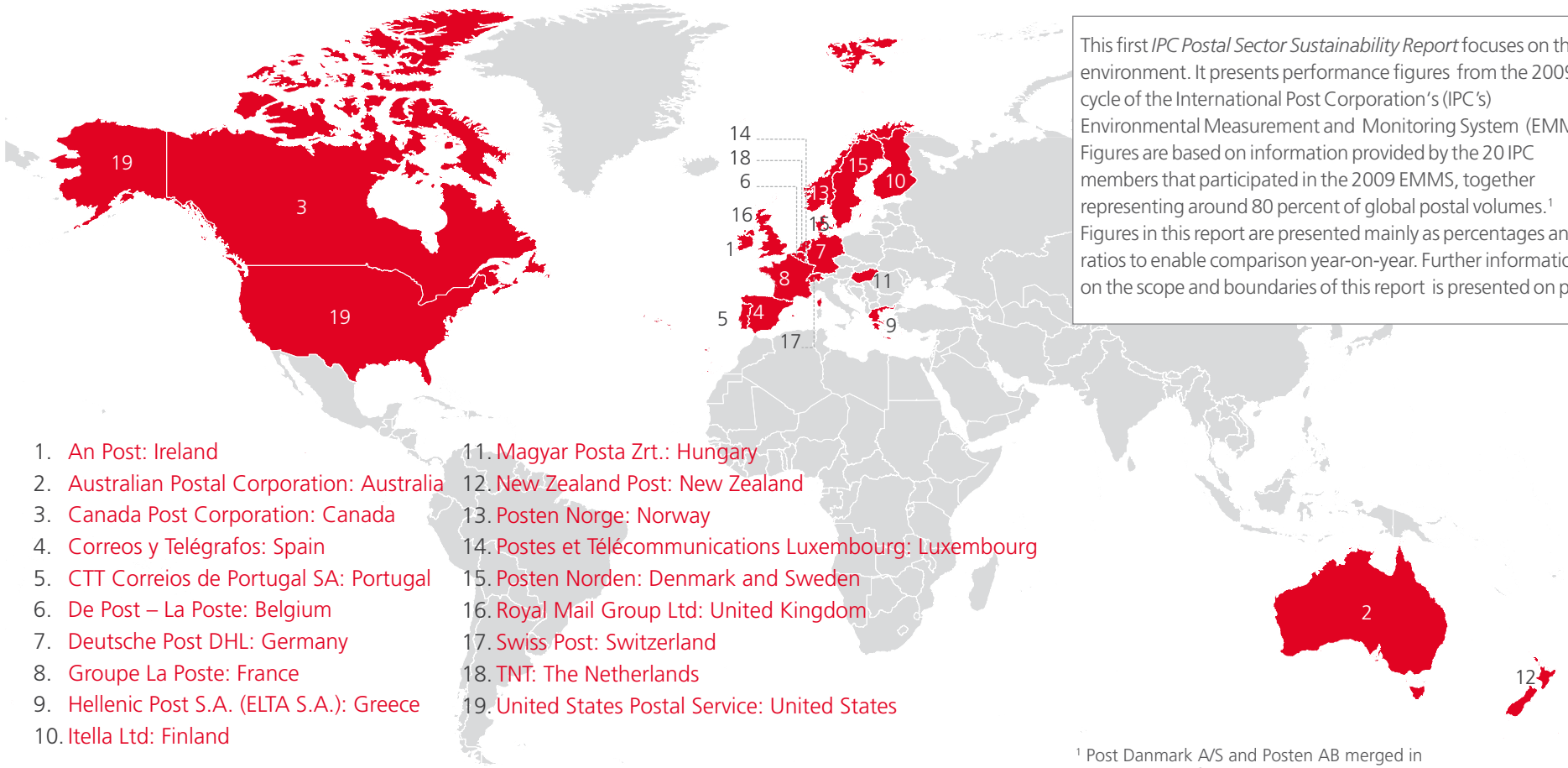
Postal Sector Sustainability Report 2009

Environment

International Post Corporation

EMMS Participants



1. An Post: Ireland
2. Australian Postal Corporation: Australia
3. Canada Post Corporation: Canada
4. Correos y Telégrafos: Spain
5. CTT Correios de Portugal SA: Portugal
6. De Post – La Poste: Belgium
7. Deutsche Post DHL: Germany
8. Groupe La Poste: France
9. Hellenic Post S.A. (ELTA S.A.): Greece
10. Itella Ltd: Finland
11. Magyar Posta Zrt.: Hungary
12. New Zealand Post: New Zealand
13. Posten Norge: Norway
14. Postes et Télécommunications Luxembourg: Luxembourg
15. Posten Norden: Denmark and Sweden
16. Royal Mail Group Ltd: United Kingdom
17. Swiss Post: Switzerland
18. TNT: The Netherlands
19. United States Postal Service: United States

About this Report

This first *IPC Postal Sector Sustainability Report* focuses on the environment. It presents performance figures from the 2009 cycle of the International Post Corporation's (IPC's) Environmental Measurement and Monitoring System (EMMS). Figures are based on information provided by the 20 IPC members that participated in the 2009 EMMS, together representing around 80 percent of global postal volumes.[1] Figures in this report are presented mainly as percentages and ratios to enable comparison year-on-year. Further information on the scope and boundaries of this report is presented on p13.

[1] Post Danmark A/S and Posten AB merged in June 2009 to form Posten Norden.

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About IPC

The International Post Corporation (IPC) is a cooperative association of 24 member postal operators in Europe, North America and the Asia-Pacific region. Over the past two decades IPC has collaborated with its members to upgrade the quality of mail service by developing technology systems that bring transparency to the mail processing system and delivery chain. It also manages the system for incentive-based payments between postal operators and creates business intelligence for its members, by providing a range of platforms for CEOs and senior management to exchange best practices, discuss strategy and engage in industry research.

IPC represents the majority of the world's mail, with its members delivering about 80 percent of global postal volumes. They also account for nearly 2.4 million jobs. IPC is based in Brussels, Belgium and has an international staff of 60 representing more than 17 countries. IPC is an organisation governed by a board comprised of CEOs from eleven member posts and the IPC Chief Executive Officer.

www.ipc.be

Introduction from our Chairman and our CEO

Jean-Paul Bailly
IPC Chairman, Chairman and CEO, Groupe La Poste

As an industry, the postal sector is transforming in a competitive global economy. Dynamic industries must have their finger on the pulse of the ever-changing marketplace. To be successful in the postal business today, we know that we must do a lot more than just deliver the mail. It is more important now than ever, that we acknowledge the needs and expectations of our key stakeholders, not just with regards to products and services, but also on how they want to do business with us in the future. And that means taking a look at sustainability issues as part of the core business.

We have always listened to customers and adjusted our business model to meet their evolving needs, but in 2007, we reached out to them to gain an understanding of what they expect and need from us with regards to environmental sustainability and carbon reduction.

The results were enlightening and they served as a further call to action. We learned that our customers believe that postal operators should be using low carbon transport, offering low carbon footprint products and services and looking for energy alternatives for vehicles and facilities. They told us that in the future they would require us to report our emissions results as they move down their supply chain to improve their own results. We took this input very seriously.

Based on customer feedback and on the fact that the posts have been individually committed to finding sustainable solutions for over a decade, IPC members believed that we needed to do more as an industry to reduce our carbon emissions. So in 2008, we made a landmark decision to adopt a common carbon measurement and monitoring system for the postal sector. The posts of IPC who compete with each other on many levels, have come together in cooperation to tackle an issue that affects us all.

Herbert-Michael Zapf
President and CEO, International Post Corporation

The result of this cooperation is the IPC Environmental Measurement and Monitoring System (EMMS), which provides the postal industry with a sector-specific tool that we can use to grade our individual and industry-wide performance in carbon management and efficiency and report our annual progress to the public.

In this *IPC Postal Sector Sustainability Report 2009*, we are releasing the first results from the full assessment that took place in 2009. We are also announcing an improvement goal of a 20 percent overall reduction in emissions between 2008 and 2020. The postal sector has also committed to releasing an annual report highlighting initiatives, results and progress.

We will continue the dialogue with our stakeholders, including our customers, employees and suppliers. We want to assure our customers that we are a reputational asset and not a liability to our customers. We want to encourage our employees to commit to delivering sustainability throughout their daily lives. We want to engage with our suppliers to deliver sustainable solutions for long term partnerships.

As you read through this report, we hope you will take a moment to learn about the successful initiatives already in place at posts around the world. We've come a long way, but we know there is more to do. As we move forward into the next phase of our sustainability commitment, we will invite posts from outside of our membership to participate and we will expand the measurement system to include value chain measurement.

The members of the International Post Corporation are committed to our customers, our employees and the environment and will continue to provide sustainable solutions that deliver measurable results now and in the future.

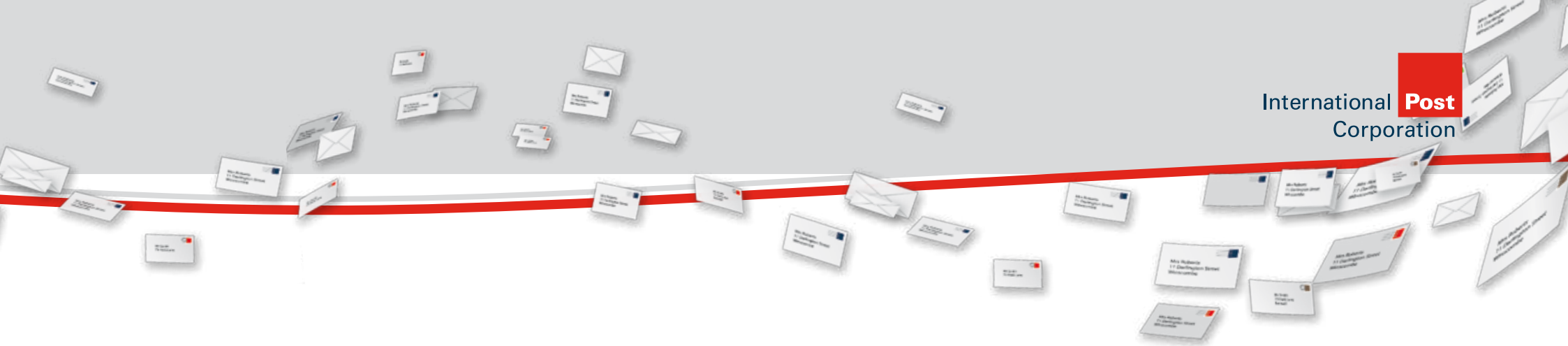
Message to Stakeholders

Collectively, our postal organisations manage over 100,000 facilities, 600,000 transport vehicles, and 2.4 million employees worldwide. These are the parts of our business that contribute to the overall CO_2 emissions of the postal sector. We recognise that our activities also contribute to global climate change and that is why we have come together in cooperation. We are committed to reducing carbon emissions and to identifying new ways of doing business that will enable us to reduce energy use within our facilities, introduce economically viable alternative fuel vehicles and implement programmes that engage our employees.

For over two decades, the International Post Corporation (IPC) and its member posts have led the way in developing common systems for quality service measurement, transport and customer service. That is why, in 2008, we gave IPC the challenge of developing a common measurement and reporting framework to facilitate consistent sector-wide reporting on our energy consumption and CO_2 emissions.

The IPC Environmental Measurement and Monitoring System (EMMS) was developed in line with our stakeholders' expectations and with best practice standards. It was piloted with discipline experts inside the posts and formally implemented in 2009, with the results presented in this report. This is the first postal sector sustainability report and we are committed to the disclosure of our collective performance results and progress each year.

As members of the IPC, and as CEOs of our respective organisations, we will work together to reduce the carbon footprint of the postal industry. We take this commitment very seriously. Although we compete in many areas of business, this is one area in which we will cooperate as a sector to deliver the changes necessary to have a positive impact on the postal industry, our stakeholders, and the environment.



Donal Connell
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Moya Greene
CEO, Canada Post Corporation
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Sixto Heredia Herrera
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Estanislau José Mata Costa
CEO, CTT Correios de Portugal SA
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Johnny Thijs
CEO, De Post – La Poste
Belgium

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CEO, Deutsche Post DHL
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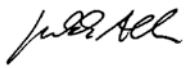
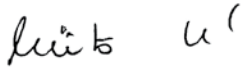
Ifigenia Kartsiotou
CEO, Hellenic Post S.A. (ELTA S.A.)
Greece



Jukka Alho
CEO, Itella Ltd
Finland



Ildikó Szüts
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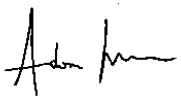
Sam Knowles
Acting CEO, New Zealand Post Ltd
New Zealand

Dag Mejdell
CEO, Posten Norge
Norway

Marcel Gross
CEO, Entreprise des Postes et Télécommunications Luxembourg
Luxembourg

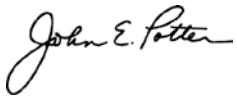
Lars G. Nordström
CEO, Posten Norden
Denmark and Sweden



Adam Crozier
CEO, Royal Mail Group Ltd
United Kingdom

Michel Kunz
CEO, Swiss Post
Switzerland

Peter Bakker
CEO, TNT
The Netherlands



John E. Potter
CEO, United States Postal Service
United States

Identifying Relevant Issues

Our approach to reporting is to identify and prioritise those issues most relevant to our stakeholders, including employees, customers, suppliers and sub-contractors as well as our shareholders, governments and civil society organisations.

Customer engagement

In 2008, we commissioned a specialist global risks organisation to complete a customer engagement exercise. The aim of this exercise was to improve our understanding of best practice carbon management and to learn more about the current and emerging expectations for IPC member companies including:

- How leading-edge customers of IPC member companies are managing carbon
- The business opportunities that exist through carbon management for IPC member companies
- Customer perceptions of the current carbon management proficiency of postal companies
- Current and emerging requirements of IPC members as critical components of customer supply chains

Over 250 companies engaged

We screened 250 global companies to identify those most proficient at carbon managament. The top 29 companies were invited to participate in a more detailed research project, where they completed a questionnaire and participated in structured telephone interviews on energy and carbon management best practice. Questions were based on recognised standards and initiatives including the Greenhouse Gas Protocol, ISO 14064 and others. A scoring system was devised to rate the proficiency of each customer company. An additional score for business opportunity was calculated based on each company's interest in working with IPC members to deliver low carbon products and services that reduce their carbon footprints.

Consistent reporting requirements

The research found customers to be most interested in the development of common reporting measures and systems for the sector. This was mainly to improve their own understanding and transparency in reporting the carbon footprint of their value chains. Companies were also interested in the carbon labelling of postal products and services in order to more effectively compare products.

The engagement found over 50 percent of customers are likely to implement carbon management requirements for postal companies. Nearly 25 percent of customers have already developed such requirements.

Emerging supply chain requirements

The emergence of ethical supply chain criteria suggested that individual posts need to develop their carbon management and measurement systems, to quantify their carbon footprints. This would provide leading posts with a competitive advantage, enabling them to market themselves as a supply chain asset rather than a reputational liability.

Evidence of our response

This report is an account of how IPC and the postal sector are responding to the concerns and requirements of customers and other stakeholders through development and implementation of the EMMS programme. It does this in the form of "voices" from stakeholders, the presentation of aggregate performance data for the sector and case studies of business engagement from each of the EMMS participants.

We engaged PricewaterhouseCoopers (PwC) to provide limited assurance on certain performance metrics which are marked with a rhombus symbol (◊). This assurance work is performed in accordance with the International Standard on Assurance Engagements (ISAE 3000), which applies to assurance engagements other than audits or reviews of historical financial information.

The Voices of our Stakeholders

"Postal services are right at the heart of globalisation. They should be the first ones in and therefore they should be early adopters to show the way for the rest of industry." Jeremy Rifkin, president of the Foundation on Economic Trends

"We have saved $100 million on energy this year. If postal operators can identify similar savings, then their investors whether private or the government will be very pleased." General Electric

"The postal sector is a significant part of the supply chain emissions of every global business. Companies that respond sooner will increasingly capture competitive advantage over their peers." Alyson Warhurst, Professor, Warwick Business School

"We tend to have an ethically-minded customer base, the result is that they are continually driving us to improve. There is no better way to get a company into action than by being driven by its customers." The Co-operative

"Developing sector-wide reporting provides commonality of purpose within an industry. It provides a level playing field and a united sense of purpose. Industry should not underestimate how important common reporting measures are." Holcim

"We will absolutely be developing more requirements for all our suppliers in the future." United Health Group

"Our board has highlighted carbon management as one of the top ten risks for the company." Akzo Nobel

The Challenge of Goal Setting

The role of indicators

Indicators are used to monitor changes and trends. They enable us to measure the impact of our activities, to identify verifiable deliverables and gauge progress towards stated goals. The use of these "contextual boundaries" distinguishes indicators from statistics and improves our ability to communicate progress by simplifying large amounts of data and enabling year on year performance appraisal.

Diversity of members

The IPC represents approximately 80 percent of global mail volumes. Our members operate in more than 230 countries and territories. The diversity of these companies also leads to widely differing viewpoints on indicators and appropriate baselines and targets. Setting appropriate targets or emissions reductions is dependent on a number of factors: country and region, climate, regulations, the percent of green electricity in national grids, the outsourcing strategies of each company and the risk appetite of an individual business and their government shareholders.

Determining a sector baseline

Our sustainability and EMMS programme follows a logical best practice route to lasting and effective emissions reductions beyond 2020. It started with stakeholder research, then developed and deployed a measurement system and gathered the requisite information from each company. The 2009 EMMS cycle represents the first formal year of implementation with verified and consistent data. We have set this 2009 EMMS cycle (and associated 2008 data) as its baseline year.

Building a realistic sector goal

A number of our members have individually set targets which collectively account for a reduction of over 1.6 million tonnes CO_2 by 2020 (compared to 2008). Our current carbon performance goal of 20 percent (p11) aligns with the collective targets of these member companies. We're also committed to working in partnership with members to achieve a more stringent goal that IPC will support through investment in sharing best practice, guidance materials and ongoing consulting through the EMMS programme of work. We are convinced that, with the EMMS system in place and with annual monitoring and reporting, IPC members will be able to comfortably comply with (and probably exceed) emissions reductions targets set by governments.

Our Goals for 2020

Indicator	Baseline 2008	Anticipated 2020	Improvement	Explanation
Management proficiency	56 percent	> 90 percent	> 34 percentage points	Pilot implementation of the EMMS in 2008 (on 2007 data) produced an average management proficiency score of 52 percent. The 2009 EMMS cycle found average performance to have increased to 56 percent (four percentage points).[2] The proposed 34 percentage point improvement by 2020 is a realistic goal based on continued improvements in future years. This 90 percent goal is aligned with anticipated increases among proficient customers (as evidenced by our 2008 stakeholder engagement).
Performance data	8,360,000 tonnes	6,688,000 tonnes	20 percent	Recently verified data and existing company targets show that IPC EMMS participants will collectively reduce their total net carbon emissions by over 1.6 million tonnes between 2008 and 2020. This estimation is based on the aggregate future emissions reductions publicly reported by participants (p20-57). The net reduction is based on total CO_2 emissions for all EMMS participants, excluding any additional reductions from companies that have not yet set targets. For those companies that have set targets which expire prior to 2020, we have only included emissions reductions up until their stated target year. It also excludes national trends that will facilitate further reductions, such as changes in CO_2 associated with grid electricity and associated conversion factors.

> “IPC is committed to working with the sector to achieve continued improvements in performance for both the carbon management proficiency and carbon performance data elements of the EMMS programme.”
>
> **Herbert-Michael Zapf, President and CEO, IPC**

[2] Note: The 2009 EMMS cycle captures and reports data for the 2008 calendar year. Exceptions presented on p64.

Carbon Management

The EMMS

In 2008, the IPC proactively developed an Environmental Measurement and Monitoring System (EMMS). The EMMS was developed in direct response to requests from CEOs throughout the postal industry to implement a common carbon measurement and reporting framework in line with customer requirements and stakeholder expectations. It acts as an automated reporting tool that enables participants to measure and illustrate their improvements in carbon management in a consistent manner to their stakeholders. The EMMS is our primary vehicle for achieving the sector carbon management proficiency and performance goals.

Piloting the EMMS

The EMMS was developed and piloted in 2008 with 16 IPC members (initially covering data for the 2007 calendar year). It assesses carbon management proficiency using the "plan-do-check-act" management framework present in ISO 14001 and related standards. The engagement tool and associated guidance materials were derived from the requirements of international best practice standards and initiatives including the Greenhouse Gas Protocol, Dow Jones Sustainability Index, FTSE4Good, ISO 14001, ISO 14064 and current best practice disclosed by members of the Carbon Disclosure Project and the United States Climate Registry.

Reporting on key indicators

Participants in the EMMS programme supply IPC with performance data against an agreed set of indicators. The EMMS accommodates work in progress by member companies and fosters a spirit of continuous improvement. It also aligns with initiatives of the Universal Postal Union and Post Europ. Members select indicators they can report on, and are not excluded because some data sets are not yet available. Instead, IPC works proactively with each EMMS participant to collect data, share learning on best practices and facilitate continuous improvement in performance.

Transparent disclosures

The EMMS tool generates a scorecard for each participating company, based on the self-audited information supplied. Two elements of performance are evaluated. The first comprises scores achieved across ten management proficiency areas. This carbon management proficiency is scored out of 100 points. A high score demonstrates that a robust management system is in place. The second is based on carbon performance data relating to emissions figures supplied by each participant. Performance data is evaluated across 20 indicators and six areas of the postal business to reflect the diversity of IPC members: mail, parcels, express (national and international), logistics, retail outlets and financial services.

Scope of this report

Carbon management proficiency information in this report relates to both the pilot year and the 2009 cycle. Performance data in this report covers the period from 1 January 2008 to 31 December 2008. Data was gathered using the EMMS questionnaire. Twenty of the 24 IPC member posts took part in the 2009 EMMS (p2).

Focus on mail and parcels

Figures presented in this report relate to the mail and parcel services of participating companies. Figures are presented in a relative way (using percentages and ratios) to ensure content is accessible, comparable and to enable readers to measure progress year on year.

Each company was asked to define the boundary of its data submission in terms of the countries covered, including the domestic market and international markets where applicable. The Annex on p64 includes more detail. Most notably excluded are the dedicated express and logistics businesses of three companies. This is to ensure that data relates mainly to mail and parcel delivery as the core business of most postal companies.

Accuracy

The data used for this report is subject to a degree of uncertainty caused by limitations in measurement and estimation. IPC or its members have in some cases been obliged to make estimates to ensure all data covers the same scope. IPC defines coverage as the percentage of revenue that report data on a certain indicator divided by the total revenue of all EMMS participants. The key data table on p18 also shows the coverage for each indicator. IPC has taken all reasonable steps to ensure that the information in this report is accurate.

Verification

The information contained in this report faithfully represents the outcome of systematic data gathering and analysis. The process of aggregating information as reported by the EMMS participants was verified by Maplecroft in line with the ISO 14064 carbon accounting standard (p60). This helped ensure reliability and consistency. The Maplecroft verification followed a recognised methodology of inspection, inquiry and observation by checking data against information in the public domain, internal company documents and the findings of interviews with key employees. Corrective action plans were jointly developed and feedback was given to all companies to promote mutual learning and continuous improvement of the EMMS programme.

Review and assurance

This report was reviewed and approved by the responsible management of IPC. This included relevant discipline experts and senior managers. IPC engaged PricewaterhouseCoopers to provide assurance on certain metrics (p18). The results can be found in the Assurance Report on p62.

- www.ipc.be
- www.maplecroft.com
- www.cdproject.net
- www.theclimateregistry.org
- www.ghgprotocol.org
- www.iso.org
- www.sustainability-index.com
- www.ftse.com
- www.pwc.com

Carbon management proficiency

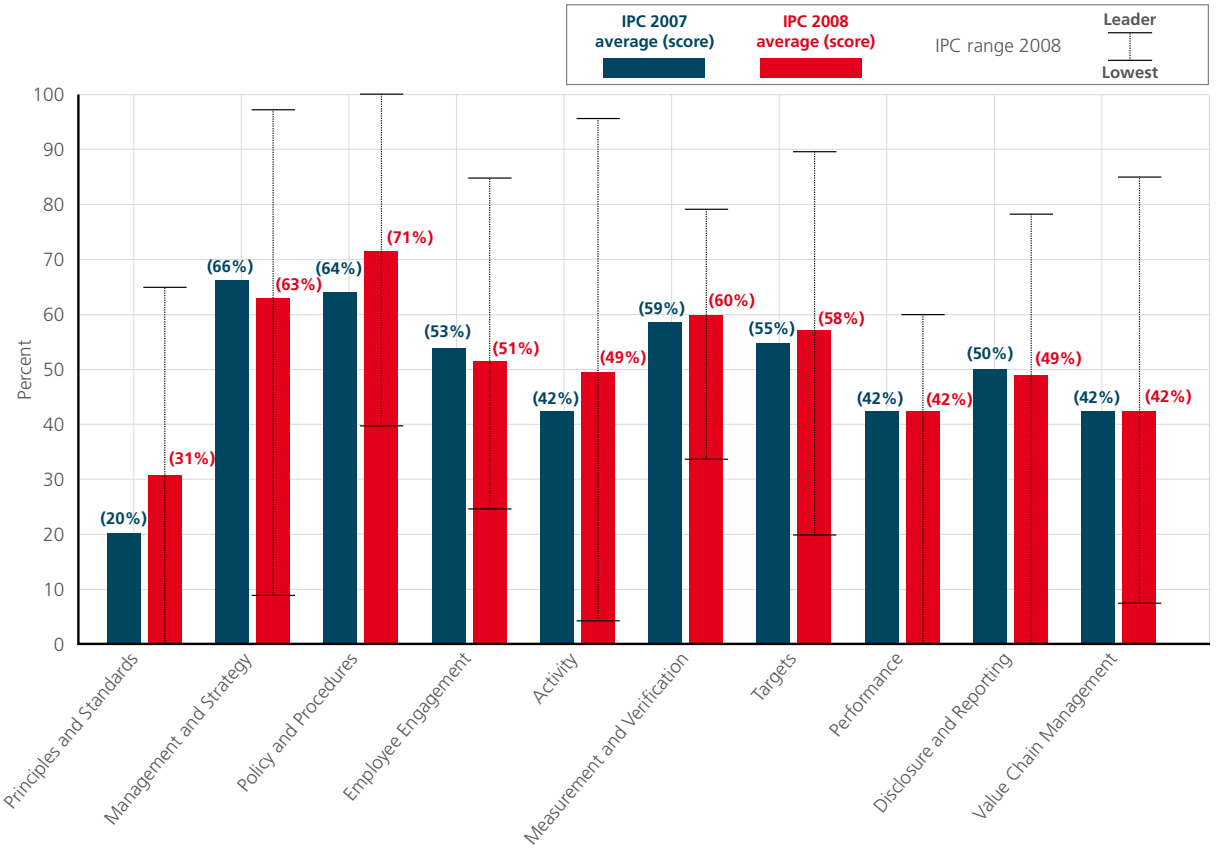
The EMMS tool measures carbon management proficiency across ten areas. This includes the existence, implementation and disclosure of principles, policies, strategies, targets and ethical supply chain programmes (see graph). In 2008, IPC EMMS members achieved overall management proficiency scores of between 85 percent (2007: 72 percent) and 19 percent (2007: 36 percent), with the sector average being 56 percent (2007: 52 percent).[3]

Areas of strength

IPC companies performed best on issues relating to Management and Strategy (63 percent), Policy and Procedure (71 percent) and Measurement and Verification (60 percent). This was primarily due to the clear identification of carbon and emissions as a priority for business with carbon management policies being in place at 85 percent of businesses. Most companies (70 percent) have now also identified targets for energy reduction and/or greenhouse gas emissions. Our verification conducted by Maplecroft found strong evidence of well-entrenched internal reporting processes and governance structures including sustainability and carbon committees and even the inclusion of individual energy and carbon metrics in senior manager performance appraisals and performance related pay schemes.

[3] Note: The 2009 EMMS cycle captures and reports data for the 2008 calendar year. Exceptions presented on p64.

Range and average carbon management proficiency scores by section (2008)



Innovative new products

Several companies have also implemented third party lifecycle assessments for key products, often as a precursor to "green" offerings relating to mail and parcel delivery. Others are working to achieve building energy efficiency and design standards such as LEED (Leadership in Energy and Environmental Design) buildings, BREEAM (BRE Environmental Assessment Method) buildings and relevant national certifications.

Linking efficiency to profit

IPC members have implemented numerous energy saving initiatives. They include the use of building energy reduction programmes, use of audits to identify energy-intensive buildings and frequent vehicle turnover to comply with high standards, e.g. Euro 5.

Members have also made significant efforts to improve the efficiency of the delivery process in advance of the future liberalisation of the sector and associated requirements to be lean, efficient, agile and more competitive. Carbon proficiency is seen as a leading indicator of operational efficiency and profit.

Areas for improvement

The range of performance varied significantly across all ten areas. Principles and Strategies (31 percent), Performance (42 percent) and Value Chain Management (42 percent) were the three areas with the most room for improvement.

Need for alignment with recognised initiatives

This was mainly because only a few companies have developed their own principles, signed-up to international initiatives such as the United Nations Global Compact, or disclosed their emissions in the public domain through the Carbon Disclosure Project, the United States Climate Registry or similar programmes. Some companies are working with government agencies to derive accounting methods and engage in the development of national standards, e.g. PAS 2020 on direct marketing and environmental performance.

Reduced availability of green infrastructures

Poor scores in the areas of Performance and Activity related largely to only a small number of companies replacing road with rail transport and only partial implementation of alternative fuel vehicle fleets. This is partly due to limited availability of suitable vehicles and rail networks that align with the required overnight delivery schedule of posts. The availability of alternative vehicles and refuelling networks is also likely to increase in future years following significant piloting and ongoing negotiations with vehicle manufacturers to develop designs that suit specific postal routes. Members are also examining opportunities to implement other alternative energies including solar power, geothermal and wind. Further examples of these initiatives are presented in the Member Engagement section (p20-57).

Engagement as the basis for long-term change

Despite an average score of 51 percent for Employee Engagement, almost all companies have implemented some form of culture and behaviour change initiative to reduce emissions. These include internal initiatives such as awareness-raising, eco-training, intranet and online web content, environmental competitions and environmental events.

Scope 3 supply chain emissions

The area of performance requiring most focus is Value Chain Management (42 percent). The Scope 3 emissions from the sub-contractors and suppliers of each participating company have a significant impact on the total carbon footprint of the sector. The extent of this impact differs for each company depending on its business and outsourcing strategy, with those that outsource transport having a much reduced carbon footprint. These different outsourcing strategies also makes comparing companies challenging.

IPC will be developing further guidelines for members on how to systematically include these emissions in their accounts. These will be disseminated to members in 2010. IPC will also be reporting on Scope 3 emissions in future sustainability reports.

Carbon performance data

The EMMS presents carbon performance data across 20 different indicators in five categories: Overall Sector Indicators, Scope 1, Scope 2, Scope 3 and Activity Indicators. These indicators are designed to provide companies with an understanding of their overall carbon efficiency and identify areas where operational efficiency improvements can be implemented. Indicators were developed to enable members to use existing greenhouse gas accounting tools, guidance or standards to estimate their carbon emissions and then express these emissions as carbon efficiencies.

Overall sector indicators

Total CO_2 emissions from IPC membership in 2008 amounted to 8,360,000 tonnes. This equates to around 0.03 percent of global annual CO_2 emissions of 30 billion tonnes and around 0.6 percent of global transport-related emissions of 6 billion tonnes. Scope 3 sub-contracted transport was excluded in the 2009 EMMS, but will be included in the 2010 cycle.

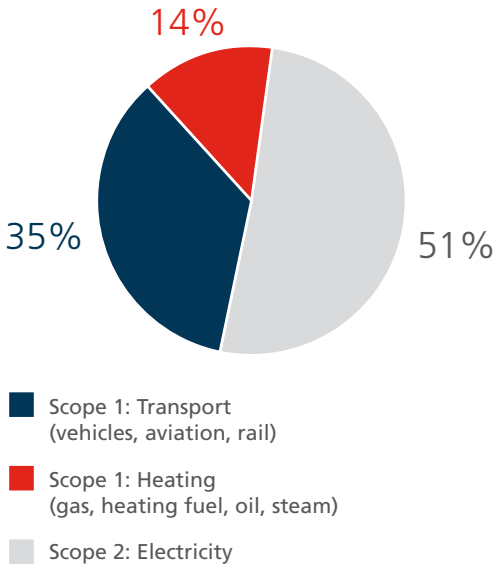
Electricity accounts for the majority of emissions

About 51 percent of these Scope 1 and Scope 2 emissions (4,248,000 tonnes) are indirect and associated with the electricity used in buildings including sorting centres, post offices and administrative operations. Direct emissions from hydrocarbons (mainly diesel) consumed during the year amounted to 2,948,000 tonnes. Emissions from heating including gas, oil and steam amounted to 1,164,000 tonnes. This equates to an average of 0.067 tonnes CO_2 per €1,000 turnover, with the most efficient posts achieving as little as 0.020 tonnes CO_2 and the least efficient being closer to 0.110 tonnes CO_2 per €1,000 turnover.

National geographies impact efficiencies

The wide range in efficiencies across the sector is linked partly to the diverse geographies each post needs to cover to deliver mail efficiently and in compliance with the Universal Service Obligations (USO).[4] It relates also to whether or not the more emissions-polluting activities have been outsourced to sub-contractors, i.e. Scope 3. Scope 1, 2 and 3 carbon emissions are expected to decline in 2009 and subsequent years. This is due to both the commitment by IPC and its members to reduce emissions, but also due to declining mail volumes, the current economic slowdown and improving national and grid electricity energy profiles.

Total CO_2 emissions[5] ◊



[4] The USO is a set of mandatory requirements imposed on the incumbent post to ensure minimum standards of accessibility to postal services, e.g. delivery frequencies, access to services, affordability, quality and security.

[5] Excludes emissions from separate express and logistics companies (p64). The rhombus symbol (◊) denotes data on which PricewaterhouseCoopers (PwC) has provided limited assurance (p62).

Carbon performance data[6]

Indicator	Total	Coverage
CO_2 emissions		
Scope 1: Transport (vehicles, aviation, rail) ◊	2,948,000 tonnes	100 percent
Scope 1: Heating (gas, heating fuel, oil, steam) ◊	1,164,000 tonnes	100 percent
Scope 2: Electricity (including electric vehicles) ◊	4,248,000 tonnes	100 percent
TOTAL ◊	8,360,000 tonnes	100 percent
Overall sector indicators		
Total CO_2 in tonnes per €1,000 turnover ◊	0.067 tonnes	100 percent
Total CO_2 in grams per item – mail and parcels ◊	29 grams	84 percent
Activity indicators		
Percent of renewable electricity used in buildings ◊	13 percent	93 percent
Percent of renewable energy used in buildings ◊	8 percent	79 percent
Percent of alternative vehicles in fleet ◊	10 percent	100 percent

[6] Figures per €1,000 turnover where calculated using average annual currency conversion statistics sourced from the Economic Cooperation and Development (OECD). The rhombus symbol (◊) denotes data on which PwC has provided limited assurance (p62). Coverage figures relate to the percentage of EMMS participant revenue that reports data on each indicator.

Separating letter mail and parcels

Emissions per item of mail average about 15 grams per item. Parcels were on average almost 25 times more carbon intensive at 360 grams per item. This is due both to the size and weight of parcels, but also due to the fact that they require transportation modes which are more polluting. For example, moped or van versus foot and bicycle. Combined emissions for both mail and parcels average 29 grams per item.

Many of the postal providers were unable to distinguish emissions from mail versus emissions from parcel deliveries. This is partly due to different definitions of mail and parcel items for each participant as well as the high percentage of shared vehicle and sorting infrastructures for mail and parcel delivery. These high levels of uncertainty mean the above estimations of emissions per item have a coverage of about 26 percent.

Activity indicators

The percentage of renewable electricity used in buildings and for electric vehicles also varied significantly between operators, with increasing numbers of IPC members purchasing 100 percent green electricity. Numerous operators supplemented "sustainable" electricity purchases with the self-generation of electricity and heat from geothermal, solar and wind power. When combined with sustainable electricity, these sustainable energy sources accounted for 8 percent of all energy used by IPC members. This indicator focuses on the percentage of additional electricity purchased that is obtained from "green" sources and does not typically include green electricity already present in the national grid.

Alternative fuels

Alternative fuels are materials or substances that can be used as "alternatives" to fossil fuels, such as gasoline (petrol) and diesel. The EMMS implementation identified a total of 49,000 (10 percent) of the 475,000 vehicles (excluding mopeds and bicycles) in member fleets to be alternative fuel capable. Different fuel types used include Liquid Petroleum Gas (LPG), Compressed Natural Gas (CNG), biofuels, electricity, hydrogen, oxygen and hybrid vehicles. Some of our members have chosen to specialise in one fuel type, while others are piloting or implementing numerous options. In addition, more than 130 million km were travelled on foot and bicycle, thus further reducing the net CO_2 emissions associated with mail and other postal deliveries.

Strategic perspectives

In 2009, we produced an *IPC Strategic Perspectives* paper for members on electrical vehicle development and how this alternative to fossil fuel powered transportation might impact escalating emissions, global warming and adverse health effects due to increased road transport. IPC and its members are committed to continued investment in green technology. This investment is not a short term initiative, but is a long term commitment by the sector to update and upgrade its processes to meet the most advanced environmental standards. This is something that the industry has committed to in the long term and will be investing in during the years to come. Investment in green technology and energy efficiency will also be financially beneficial for IPC members in the medium term.

EMMS participants accounted for more than 130 million km of travel on foot and bicycle in 2008; equivalent to more than 150 return trips to the moon.

An Post

Key Statistics

Name of company: An Post

Founded: 1984

Location of headquarters: Dublin, Ireland

Name of Chief Executive Officer: Donal Connell

Number of operating countries: One

Number of full-time employees: 10,000

Number of facilities: 190 company, administrative retail and mail premises

Number of vehicles: 2,700

Energy reduction targets: N/A

Carbon reduction targets: 20 percent from 2008 to 2020

www.anpost.ie

Linking sustainability with business value.

Sustainability Vision

Sustainability is a central element of An Post business success; delivering high quality and affordable services and respecting the communities and the environment in which it operates. This principle, which is one of the An Post core values, guides its ongoing relationships with customers, employees and suppliers.

The Challenge

Introduction to the project

Charting a sustainable future at a time of economic uncertainty and when mail volumes have dropped by ten percent this year alone, is the challenge faced by An Post. An Post takes an "eyes wide open" approach to the reality of sustainability in our business. Every step must be planned and must make business and financial sense.

This awareness led An Post to complete a major sustainability project in early 2009 entitled ''Linking Sustainability with Business Value". The project was one of 13 key Transformation Projects, that together will prepare the company for a deregulated market in 2011.

The sustainability project achieved several key objectives:

- It coordinated existing environment, community, workplace and marketplace initiatives under a single project team
- It collected valuable information on stakeholder viewpoints and expectations relating to the company's current and future sustainability performance
- It led to the development of a sustainability strategy aligned to the business, and positioned the company for future business and regulatory requirements
- It engaged staff and other audiences through research and by showcasing existing best practices to our staff, customers, sector partners and suppliers
- It led to the production of a sustainability section within our Annual Report 2008

Results and key findings

The company has now initiated a second project entitled "Making Sustainability a Reality". This new project will build on the progress already achieved to integrate sustainability firmly within the business.

Postman Brendan Sugrue and Chief Medical Officer, Dr. Frank O'Reilly at the launch of Male Minder – A Guide To Men's Health for An Post Staff. The guide was mailed to over 9,500 An Post staff to mark European Men's Health Week.

One central aspect of the project includes the establishment of a monitoring system and a set of targets for a 20 percent reduction in energy consumption by 2020.

We operate the most extensive retail network in Ireland, understandably building and fleet energy management are pivotal in this regard.

The project will facilitate the ongoing management and monitoring of current initiatives and opportunities within the business, while driving the integration of sustainability as a key part of the An Post Transformation Projects. The project has five workstreams of activity:

- To develop and implement an agreed governance structure for carbon and environmental management
- To establish a comprehensive monitoring system including data on current initiatives and in alignment with the IPC EMMS programme
- To deliver annual reporting on our sustainability activities
- To integrate sustainability into the twelve other key Transformation Projects where feasible
- To develop and implement a communications strategy for sustainability at An Post

Next steps for improvement

An Post is currently developing a position on sustainability that makes business sense for its operations and stakeholders. Sustainability-related outputs, products and services are expected to provide new energy and impetus to the organisation: enhancing An Post's competitive position in preparation for liberalisation, reducing operating costs, driving incremental revenues through stronger customer relationships and motivating employees.

LOGON, LEARN: A one to one learning model in Transition Year classes nationwide, where young people act as teacher and older people in the community learn computer skills.

Australian Postal Corporation

Key Statistics

Name of company: Australian Postal Corporation

Founded: Commenced postal services in1809 and incorporated in 1989

Location of headquarters: Melbourne, Australia

Name of Chief Executive Officer: Graeme T John AO

Number of operating countries: One

Number of full-time employees: 35,509

Number of facilities: 1,300

Number of vehicles: 10,300

Energy reduction targets: In development. A Corporate Responsibility Strategy was introduced in late 2008. Target-related research and definition are currently in progress and are expected in 2010.

Greenhouse gas reduction targets: In development

www.auspost.com.au/cr

Sustainability Vision

Australia Post recognises that it has a responsibility to manage the impacts of its operations and protect the environment for current and future generations. Its commitment to reducing greenhouse gas emissions is expressed in its Corporate Responsibility Strategy, through the Vision: "Contributing every day for a sustainable tomorrow".

The Challenge

Introduction to the project

The primary source of Australia Post's greenhouse gas emissions is stationary energy consumption in the form of electricity and natural gas. Together these sources account for 72 percent of the emissions associated with sorting and delivering mail to over ten million delivery points.

Staff behaviour influences stationary energy consumption. Motivating behavioural change is a key component of Australia Post's Corporate Responsibility Strategy. This includes empowering its staff to make changes that reduce emissions. The launch of Australia Post online *Environment Facility Data Tool* in May 2009 was a significant step in the promotion of awareness, knowledge and in the measurement of environmental impacts.

The tool is an easy-to-use, online application, available through Australia Post's intranet site. It enables staff to monitor the environmental performance of their facilities (e.g. mail centres, delivery centres, retail outlets) on a monthly and annual basis in six areas: electricity, water, natural gas, general mixed waste, paper recycling and greenhouse gases. Staff can also benchmark their performance against other facilities and access information at national, state and divisional levels.

The tool is intended mainly for facility managers, to increase understanding of local environmental impacts and promote the implementation of reduction measures, including target-setting and the education of staff. It includes an electronic checklist of simple emission reduction opportunities that can be implemented locally. The launch of the tool was supported by an extensive internal communications campaign.

Contributing every day for a sustainable tomorrow.

Results and key findings

The Environment Facility Data Tool is a relatively new initiative. Key outcomes to date include the strong support it has received from senior management and staff members. Australia Post expects the initiative to achieve emission reductions within the first six months of launch.

The implementation of the online environmental data tool has also underlined the need for environmental leadership from senior management, as an essential ingredient in behavioural and cultural change. In launching this tool, the Managing Director of Australia Post, Graeme John, emphasised the challenge of climate change and highlighted the role of all employees in ensuring that it operates in an environmentally efficient and responsible manner.

Key challenges include ensuring the tool is readily accessible and easy to understand. This is especially significant given Australia Post's extensive geographic footprint, with 135 nationalities represented in the workplace. The tool is designed for ease of use.

Data is also streamlined so it can be downloaded at all facilities country-wide. The Environment Facility Data Tool has also been demonstrated to other companies, including joint ventures and external environmental organisations, thus boosting awareness and encouraging cultural change beyond Australia Post.

Next steps for improvement

The tool is currently being expanded to include transport fuel data for each facility. Fuel consumption represents the remaining 28 percent of Australia Post's emissions. Australia Post will also continue to monitor use of the tool as well as seek feedback and implement updates to ensure it remains an effective mechanism for promoting behavioural change and reducing emissions. Australia Post recently released its first stand alone Corporate Responsibility Report which describes the corporation's approach to managing its social, environmental and economic impacts.

Canada Post Corporation

Key Statistics

Name of company: Canada Post Corporation

Founded: 1981

Location of headquarters: Ottawa, Canada

Name of Chief Executive Officer: Moya Greene

Number of operating countries: One

Number of full-time employees: 51,644

Number of facilities: 7,204

Number of vehicles: 7,000[7]

Energy reduction targets: N/A

Greenhouse gas reduction targets:
20 percent from 2008 to 2020

[7] Canada Post's Rural and Suburban Mail Carriers (RSMCs) deliver mail using their own vehicles. These carriers account for an additional 6,700 vehicles.

www.canadapost.ca

Sustainability Vision

Canada Post aims to be recognised as Canada's most socially responsible corporation. This commitment to social responsibility is anchored in the belief that the corporation's long-term economic health is directly linked to the health of its employees, Canada's communities and the environment. Environmental sustainability is at the heart of this commitment.

The Challenge

Introduction to the project

Canada Post understands that its buildings have an effect on the environment, and is constantly identifying new ways to reduce energy consumption, emissions and costs. A large portion of the company's CO_2 emissions come from its buildings, which include 21 major mail-processing plants. Reducing these emissions will also help to lessen Canada Post's overall energy costs and benefit the global environment. Canada Post also strives to improve indoor environmental quality through more integrated and sustainable design, creating a healthier and safer work environment for employees.

All major new building construction will be registered for Leadership in Energy and Environmental Design (LEED®) certification. This commitment is consistent with the company's efforts to conserve resources, protect the environment and reduce greenhouse gas emissions. LEED is a whole-building approach that recognises a building's performance with regard to water efficiency, materials and resources, locations and linkages as well as innovation in design. To date, Canada Post has registered eleven buildings across the country for LEED certification, six of which are scheduled for occupancy in 2009. LEED-registered buildings include the new Winnipeg Mail Processing Plant as well as letter carrier depots in Alberta, Ontario and Quebec.

LEED credits are weighted and points are awarded to reflect a building's potential environmental impacts. Canada Post aims to attain a minimum LEED rating of "certified" on all major new construction projects. Under LEEDCanada-NC (for new construction and major renovations), this level of certification requires a score of 26 to 32 credit points on top of certain additional prerequisites.

> "We believe that CSR is good for business even in tough economic times and that a healthy future starts with the recognition that change is as necessary in business as it is in life."
>
> **Moya Greene, CEO, Canada Post**

Results and key findings

The new letter carrier depot in Terrebonne, Quebec, was occupied early in 2009. The facility makes more efficient use of energy and manages water through high-efficiency plumbing devices that will reduce consumption by up to 34 percent. During construction, 75 percent of the usual construction waste was diverted from landfill.

Many of Canada Post's buildings, such as letter carrier depots and mail-processing plants, are not typical industrial buildings and present unique challenges when building new facilities to LEED-certification standards. Letter carrier depots, for example, require high-quality interior lighting conditions for mail sortation and flexibility in sortation-case layout. These challenges limit the extent to which energy consumption can be reduced.

Most depot occupancy and activity takes place early in the morning. This further affects energy performance and design choices as additional light and heating are required, especially during winter months. Additionally, Canada Post is often restricted when it comes to incorporating green space around new facilities because postal depots require large areas for vehicle docking and parking. Nevertheless, all new Canada Post buildings are being designed to levels of energy performance at least 29 percent more efficient than that stipulated in the Model National Energy Code for Buildings. Native vegetation is also included as part of landscaping plans to increase endemic biodiversity and reduce the need to water.

Next steps for improvement

Canada Post is scheduled to occupy its new environmentally friendly mail-processing plant in Winnipeg, Manitoba, in 2010. This plant will be equipped with new technology and ergonomically sound mail-processing equipment. The plant will be a model for the company's future buildings across Canada.

www.cagbc.org

Artist's impression of the Terrebonne Letter Carrier Depot

Artist's impression of the Winnipeg Mail Processing Plant

Correos y Telégrafos

Key Statistics

Name of company: Sociedad Estatal Correos y Telégrafos

Founded: 18th century

Location of headquarters: Madrid, Spain

Name of Chief Executive Officer: Sixto Heredia Herrera

Number of operating countries: One

Number of full-time employees: 65,924

Number of facilities: 9,926

Number of vehicles: 13,869

Energy reduction targets: In development

Greenhouse gas reduction targets: In development

www.correos.es

Sustainability Vision

Correos includes "sustainability" as a key part of its corporate values. It also adheres to the National Administration Public Contract Green Plan and has established an Environmental Committee that oversees the environmental policy and related work streams. This Committee has also designed a Plan of Excellence (2008-2010) on eco-efficiency which includes the reduction of greenhouse gas emissions, as well as processing and recycling. Correos is now integrating energy efficiency into its core business processes and it is also moderating energy consumption through reduction initiatives.

The Challenge

Introduction to the project

A number of workstreams have been implemented to reduce energy consumption and carbon dioxide emissions:

- The establishment of Automated Centers that were certified to the Correos Environmental Management System (EMS) in 2008
- The increase of electric vehicles and replacement of the vehicle fleet with newer cleaner technology vehicles
- Environmental training and awareness programmes including eco-driving modules for relevant employees
- The sale and marketing of green products including ecologically friendly envelopes, boxes and packages manufactured from recycled materials. A percentage of sales from these products is allocated to reforestation projects implemented in collaboration with the "Fundación Bosques de la Tierra" (Earth Forest Foundation) in Spain.

Plant for the planet.

- Collaboration with the Spanish Tree Planting Campaign "Plant for the Planet" established by the United Nations Environment Programme (UNEP). The campaign aims to plant one tree for every inhabitant to compensate for rising CO_2 emissions and combat global warming.

Results and key findings

These workstreams have produced significant results:

- Action plans have been implemented to reduce energy consumption in the 17 Automated Centres
- In 2008, Correos added electric vans and electric bicycles as part of a pilot project to test the viability of eco-vehicles. It is also testing specifically designed electric prototype cars. Correos is also now using electric motorbikes for letter delivery in Santander, Torrelavega and Laredo (Cantabria).

- These vehicles have been loaned from the regional government as part of its "Bio-Bike Plan" and "Cero CO_2 Programme". Correos continues its preventive maintenance and fleet renovation plan, with almost €34 million already invested in the new fleet.

- With respect to environmental training and awareness-raising, Correos has implemented efficient eco-driving courses with the objective of increasing fuel savings and reducing environmental impact. Correos has also carried out further "sensitising actions" through its intranet, its employee magazine *Abrecartas* and its e-learning platform. Correos has also distributed information to employees on the efficient use of resources.

- Through its green product programme (Línea Verde), Correos has contributed to the reforestation of 450,000 m^2 of mountain forest. About 27,000 trees have been planted in Benalmádena (Málaga), Dehesa del Alto Clamores (Segovia), Carreña de Cabrales (Asturias), Cañamero (Cáceres) and Vega de San Mateo (Gran Canaria). More than 100 Correos employees participated in reforestation activities together with FORESTA (Fundación Canaria para la Reforestación).

- The sixth reforestation initiative began in autumn 2009. Correos has seen a significant increase in the sale of its green products; with increases of nearly 100 percent from 2006 to 2008, i.e. 2.2 million to 4.5 million units.

- Participation in the UNEP "Plant for the Planet" campaign was supplemented through various initiatives including the design, distribution and exhibition of campaign posters in more than 2,200 post offices, as well as sponsoring of the "Forest Week" in Madrid where 40,000 small trees were distributed to encourage planting. Correos has communicated the number of tree planting stems from green product line sales to UNEP for its computation purposes.

Next steps for improvement

Now that Correos has achieved ISO 14001 certification at all Automated Centers and in 17 main offices, it will focus on new ways to improve the efficiency of energy consumption. The company will also implement additional training and awareness programmes. In 2009, Correos will increase its electric vehicle fleet. It will also continue its reforestation actions and engage employees in the tree planting campaign. Sustainability clauses will be included in all contract procedures from 2010.

CTT Correios de Portugal

Key Statistics

Name of company: CTT Correios de Portugal SA

Founded: 1520

Location of headquarters: Lisbon, Portugal

Name of Chief Executive Officer: Estanislau José Mata Costa

Number of operating countries: One[8]

Number of full-time employees: 15,361

Number of facilities: 1,200

Number of vehicles: 3,956

Energy reduction targets: Two percent from 2008 to 2009 (reduction in electricity and fuel)

Greenhouse gas reduction targets: Ten percent from 2008 to 2013

[8] According to the reporting area of the EMMS, as the CTT Group now operates in Portugal, Spain and Mozambique.

www.ctt.pt

Sustainability Vision

"Technological evolution shortens distances, making the world smaller and yet, more complex. (…) We are ready and prepared for the future, always trying to preserve our Values and remain loyal to the image of a company that contributes positively to society and is stable and trustworthy." *(Message of the President, CTT Sustainability Report 2008)*

The Challenge

Introduction to the project

Policy and strategy

CTT has been assigned a broad range of management objectives by the shareholder (the Portuguese State). Its board members have signed contracts with the shareholder that define targets for the duration of their three-year terms. These targets cover the economic and financial as well as social and environmental dimensions. CTT's Sustainability Index, which is comprised of 14 variables, accounts for 21 percent of the overall company's performance measurement.

Environmental Management Systems (EMS)

Operational Centers account for the bulk of the environmental impacts of our activity. Following the approval of CTT's Environmental Policy, in September 2007, its vision is to have all Operational Centers (processing and transportation) triple certified to quality (ISO 9000), environment (ISO 14001) and health and safety (OHSAS 18001) standards by 2011. Certifications will also be attained for its major affiliated companies.

Sustainable procurement

CTT has recently implemented the plan of green public procurement, which introduces environmental requirements into the purchasing process. Indicators and targets have also been set in order to measure the extent to which these environmental criteria are integrated into purchasing processes.

Carbon reporting and disclosure

CTT stakeholders increasingly require transparent and credible information on carbon management. Since 2006, CTT reports annually on energy consumption and CO_2 emissions as part of its sustainability report. It updates regularly the variations of CO_2, direct and indirect, at a global level and for each indicator. CTT also participates in the ACGE (Alterações Climáticas e Gestão de Empresas) Index, which is the definitive carbon and climate change rating exercise in Portugal.

Results and key findings

Policy and strategy

In 2007, the sustainability performance of CTT was assessed by an independent body, commissioned by the Government. CTT was ranked third among all public sector companies evaluated in both 2007 and in 2008. Sustainability objectives have since been cascaded down into the performance scorecards of the first two layers of CTT management, where it now impacts on bonus and rewards schemes.

> “Using the EMMS, the postal industry has begun to take a systematic, structured approach to the environmental dossier with ongoing measure on practically all environmental fronts.”
>
> **Estanislau Mata Costa, CEO, CTT Correios de Portugal SA**

Environmental Management Systems

ISO 14001 certification is already in place for two of CTT’s major Operations Centers (Lisbon and Oporto); as well as for CTT-Expresso, the CTT express mail company. In addition to these ISO 14001 certifications, CTT has also implemented an integrated centralised waste management system.

Sustainable procurement

The results obtained in its first year of implementing the green purchasing policy (2008) show that 13.6 percent of pre-contractual procedures abide by environmental criteria and represent 39.5 percent of the total value of contracts.

Carbon reporting and disclosure

The fuel consumption of CTT´s road fleet remained unchanged in 2008, despite increased transport activity. Stable fuel consumption figures are directly related to increased fleet efficiency, estimated to be more than three percent, in 2008. The last two Sustainability Reports, drafted in alignment with Global Reporting Initiative (GRI) Guidelines, were independently verified as “B+ level” compliant with the guidelines. In 2008, CTT also attained second place in the ACGE ranking, among the 42 participating companies, and was the leading company in the public and the logistics and transport sectors.

Next steps for improvement

Actions planned for the future include, among others, the extension of environmental certifications to other units; roll-out of electric delivery vehicles; reduction of electricity, fuel consumption and CO_2 emissions by two percent; implementation of energy consumption rationalisation plans on CTT’s major operations centers and owned fleet, and a study on biodiversity impacts.

- www.globalreporting.org
- www.responsabilidadeclimatica.net

De Post – La Poste

Key Statistics

Name of company: De Post – La Poste

Founded: 1830

Location of headquarters: Brussels, Belgium

Name of Chief Executive Officer: Johnny Thijs

Number of operating countries: One

Number of full-time employees: 30,660

Number of facilities: 1,100 buildings

Number of vehicles: 6,000 vans and trucks, 4,700 mopeds

Energy reduction targets:
7.5 percent from 2005 to 2012

Greenhouse gas reduction targets:
35 percent from 2007 to 2012

www.post.be

> "Customers that entrust their letters and parcels to us can have peace of mind that their mail items have the smallest possible impact on the environment."
>
> Johnny Thijs, CEO, De Post – La Poste

Sustainability Vision

De Post – La Poste is committed to acting as a "good corporate citizen" and has set a target to reduce carbon emissions by 35 percent by 2012. Since 2008 the company has used only "green electricity". Global energy consumption is also expected to fall by 7.5 percent in 2012 (compared to 2005). De Post – La Poste also strives to be a role model in terms of responsible paper use: as from 1 January 2010, the company will only use recycled or FSC-labeled paper.

The Challenge

Introduction to the project

De Post – La Poste has launched an ambitious corporate program to reach a CO_2 reduction of 35 percent by 2012 (baseline 2007). Apart from switching to 100 percent green electricity since August 2008, other initiatives include the implementation of recommendations following energy audits of the 100 most energy-intensive buildings, organisation of eco-driving courses for more than 3,000 persons of the Mail department, the launching of an "excellent fleet" program (e.g. optimising tyre pressure) and the launching of a Wake-On-Lan project which will allow desktop computers to be turned off at night and during weekends.

A "pilot" energy audit project has also been initiated in the sorting centers. This detailed review of Gent X sorting center identified a number of actions that can easily be replicated across four other (similar) sorting centers. Examples of actions identified include adjustment of the building management system configuration (e.g. taking into account day, night, weekend and holiday), opening of ventilation shafts in the summer to allow free-cooling, the switching off of some sorting equipment during non-operating hours and the creation of awareness with employees by asking them to close gates and switch off lights in non-occupied rooms. A ten percent energy reduction was set as an objective for the technical managers of the sorting centers.

Results and key findings

In the pilot in Gent X a saving of more than ten percent in electricity consumption (0.4 Mio kWh) has been achieved in 2008. The overall ten percent target for the five sorting centers (as set in the objectives of the technical managers) should result in a total saving of 3,437,000 kWh by end 2009.

The main lessons from our Gent X pilot include:

- The need to use accurate measurement tools to determine where and when energy is consumed and enable the identification of mitigation actions that have the highest impact on emission reductions

- A requirement for strong local project ownership by both management and employees to achieve success
- The ability to replicate energy saving initiatives in other sorting centers with similar processes and construction
- The importance of comparing achievements and key performance indicators across different sorting centers

In addition to facilitating the reduction of emissions, the pilot in Gent X is also used as an example of an "energy success story" for internal and external communications.

Next steps for improvement

Further energy reduction actions are being investigated in Gent X for further roll-out in additional sorting centers. The experience and lessons learned in Gent X are also being used to perform energy audits and set up similar programs in the operational mail centers and other buildings.

With the stamps "Preserve the Polar Regions and Glaciers" De Post – La Poste focuses on the devastating effects of global warming. Belgian explorers, Alain Hubert and Dixie Dansercoer, as seen on the stamp sheet, experienced the effects of the phenomenon while crossing the North Pole. The ice layer was too thin to continue their journey.

Deutsche Post DHL

Deutsche Post DHL

Key Statistics

Name of company: Deutsche Post DHL

Founded: Deutsche Post AG founded 1995 (privatisation of public postal services), DHL founded 1969 and integrated 100 percent into Deutsche Post in 2002

Location of headquarters: Bonn, Germany

Name of Chief Executive Officer: Frank Appel

Number of operating countries: 220

Number of full-time employees: 440,000

Number of facilities: 13,000

Number of vehicles: 120,000

Energy reduction targets: Climate protection programme GoGreen: improving the Group and subcontractor carbon efficiency by 30 percent by 2020 (compared to 2007). First step: improving Deutsche Post DHL's own carbon efficiency by ten percent by 2012.

Greenhouse gas reduction targets: N/A

www.dp-dhl.de

Sustainability Vision

As a global leader in logistics Deutsche Post DHL connects people and businesses and takes responsibility for its impact on environment and society. The company provides innovative, sustainable solutions and demonstrates business and operational strengths in a socially responsible context. Its work on sustainability is focused on three key areas: environmental protection (GoGreen), disaster response (GoHelp) and education (Go Teach).

The Challenge

Introduction to the project

Deutsche Post DHL aims to be both the best in its own business activities as well as to optimise the operations of its customers. The GoGreen climate protection programme enables Deutsche Post DHL to improve its CO_2 efficiency throughout the whole chain of its activities: from network, optimisation to efficient technologies. Deutsche Post DHLs broad business set up offers a wide range of environmentally friendly transport and logistics options which allows it to anticipate the benefits from investing in a low-carbon future. Customers increasingly ask for solutions to "Go Green".

In line with this notion, DHL Supply Chain recently supported one of its customers from the food retail sector with the construction of a new refrigerated distribution hub. It also manages the location. The hub was built 30 meters underground in order to maximise sustainability and energy efficiency. The low-energy cooling system ensures high electricity savings by combining natural elements with state-of-the-art technology. In addition, the warehouse blends into the landscape so effectively, that in summer the roof is used as a hay field. While the outside temperature can be blisteringly hot, the underground facility remains a constant 15.5 degrees Celsius all year.

Opening of the underground warehouse in Missouri

The ***GOGREEN*** carbon-neutral shipping service

Results and key findings

The refrigerated underground hub in Southern Missouri, United States, saves an estimated 681,000 litres of fuel and reduces CO_2 emissions by approximately 1,800 tonnes annually. Built in a converted limestone mine 30 meters underground, the warehouse uses 65 percent less energy than comparable above-ground facilities. Additionally, the hub uses between 28-48 percent less energy by replacing conventional lighting designs with fluorescent lighting and occupancy sensors.

More and more customers approach Deutsche Post DHL for green logistics solutions, with a further increase to be expected over the forthcoming years. "Going Green" is setting new standards and Deutsche Post DHL provides respective solutions. In addition, the Group offers another standard solution to customers: the carbon-neutral shipping service ***GOGREEN***. The service is part of the GoGreen programme. With this programme, Deutsche Post DHL aims to improve its CO_2 efficiency by 30 percent by the year 2020, compared to 2007. GoGreen promotes efficiency measures such as network optimisation, intelligent route planning, building efficiency, aerodynamics and alternative technologies and fuels.

> "We can create a role model example for how to deal with sustainability in an active way, instead of in a reactive way."
>
> **Frank Appel, CEO, Deutsche Post DHL**

GROUPE LA POSTE

Key Statistics

Name of company: Groupe La Poste

Founded: 1991

Location of headquarters: Paris

Name of Chief Executive Officer: Jean-Paul Bailly

Number of operating countries: 230

Number of full-time employees: 295,742

Number of facilities: 14,817 buildings corresponding to around 17,082 contact points

Number of vehicles: 68,800

Energy reduction targets: 15 percent from 2007 to 2012

Greenhouse gas reduction targets: Twelve percent from 2007 to 2012 (15 percent for transport and nine percent for buildings).

www.laposte.fr

Groupe La Poste

Sustainability Vision

As a leading industrial and service group with a public service mission and a national presence across France, La Poste Group is expected to act as a leader on sustainable development. La Poste Group created its sustainable development policy in 2003, and continues to affirm its commitment to drive performance on society and the environment.

The Challenge

Introduction to the project

Since 2008, the new strategic priorities for sustainable development have also been integrated into our Performance and Confidence 2008-2012 strategic plan. La Poste Group has also committed to reduce its CO_2 emissions by twelve percent by 2012. To meet these objectives, La Poste is implementing both technical solutions and awareness-raising to change behaviours.

The main technical action is to develop a cleaner transportation fleet by implementing electric vehicles, trains and setting out optimised logistics to reduce emissions and road traffic. To change behaviours internally, the Group has launched an eco-driving programme. Externally, it raises road sub-contracter awareness about environmental issues.

To reduce building-related CO_2 emissions, La Poste Group has included sustainable development criteria in its construction and renovation plans and launched awareness-raising as well as "good everyday practices for sustainable development" campaigns for its staff.

Technical experts also work together with La Poste Group marketing teams to reinforce the incorporation of most "sustainable criteria" into the early stages of products, services design and updates. This includes stamp books, parcels and packages. La Poste Group also works to raise customer awareness about the need for responsible consumption. For example, through the eco-calculator developed by its GeoPost subsidiary.

The La Poste Group acts as a responsible consumer and has committed to exclusively using recycled paper or paper from sustainably-managed forests by the end of 2012. Responsible purchasing criteria are currently included as part of numerous supplier contracts.

Results and key findings

In order to meet its target of cutting transport-related CO_2 emissions by 2012, La Poste Group has launched a bold new vehicle research, procurement and delivery programme.

> "We have made major breakthroughs, for the environment, for our clients, for our employees."
>
> **Jean-Paul Bailly, CEO, Groupe La Poste**

La Poste Group is investing in a cleaner fleet of electric vehicles fleet and has launched several European calls to tender in order to purchase different kind of electric vehicles including cars, quad bikes and bicycles. In the medium term, up to a quarter of the Group's delivery vehicles (over 68,000) are likely to be replaced. La Poste Group also uses electric-assisted bicycles for mail delivery and is experimenting with new clean vehicles for its Parcels and Express activities.

The La Poste Group Chairman, Jean-Paul Bailly, has also been asked by the French government to centralise orders from other major vehicle fleet users for a total of 100,000 electric vehicles.

www.whyflyparcels.com

La Poste Group encourages its staff to be more carbon-efficient in their everyday practices. Since 2007, its drivers have been trained in eco-driving. By the end of 2009, up to 60,000 drivers will have participated in the eco-driving initiative. This is estimated to reduce emissions and fuel consumption by 5-7 percent. Several subsidiaries, such as Mediapost, have also implemented eco-driving programmes.

La Poste Group is also working to optimise its logistics, to reduce the number of kilometers traveled, streamline loading and implement double-decker lorries for mail transport. These innovations are expected to further reduce both emissions and the number of vehicles on the road.

The Group is also working with road transport subcontractors to address environment-related issues. This includes through the provision of a quarterly eco-transport newsletter as well as progressively including sustainable development criteria in new calls to tender.

Next steps for improvement

La Poste Group will be relying more significantly on the involvement of its postal workers in the next phase its strategic plan. In order to maintain high levels of commitment, the Group will develop and roll-out new training modules on responsible purchasing, eco-design and sustainable development sponsorships. It will also progressively add non-financial criteria to objective-based appraisals of managers.

Hellenic Post-ELTA

Key Statistics

Name of company: Hellenic Post S.A. (ELTA S.A.)

Founded: 1828

Location of headquarters: Athens, Greece

Name of Chief Executive Officer: Ifigenia Kartsiotou

Number of operating countries: One

Number of employees: 11,836

Number of facilities: 933

Number of vehicles: 399 (motorcycles: 1,840)

Energy reduction targets: In development

Greenhouse gas reduction targets: In development

www.elta.gr

Sustainability Vision

Hellenic Post-ELTA recognises the need to be active on sustainable development issues relating to society, environment and employees. Work on environmental protection is a strategic choice for Hellenic Post-ELTA

The Challenge

Introduction to the project

ELTA have undertaken a lot of projects related to environmental protection. They include:

- ELTA's active participation in the PostEurop Greenhouse Gas Reduction Programme. The expected result of the programme is an average ten percent reduction of CO_2 emissions within the next five years
- Development and implementation of "Hybrid Mail" which reduces the environmental burden, by substituting traditional forwarding of mail with electronic forwarding. The operation of two Automated Centres in Athens and Thessaloniki reduces significantly the number and volume of letter mail transfer, with favourable consequences for the environment
- Implementation of fleet telematic monitoring, which significantly improves transport efficiency and optimises the vehicle and fuel handling, thus enabling improved management of environmental impacts
- Renewal of the fleet with modern technology vehicles thus reducing CO_2 emissions, which is further improved by eco-driving training of relevant ELTA employees

- Development of the Free Parcel Post Service, for the receipt, transport and delivery of material and packages intended for recycling. This includes the establishment of an ink recycling programme implemented for customers through post office drop-off facilities

- Installation of leading technology to facilite the rational handling of water resources and energy reduction at the new Automated Sorting Centre in Attica

- Participation in the European Road Safety Charter

Results and key findings

The EMMS project implementation has activated and motivated the participation of employees in all ELTA units country-wide. ELTA only has two-years of emissions data to compare in order to identify next steps for reductions and improvements.

Next steps for improvement

Next steps include close study of the 2007 and 2008 results on CO_2 emissions to ensure appropriate emissions-reductions action plans are established. ELTA will also work to facilitate effective internal communication of both energy and emissions performance as well as the implementation and monitoring of actions plans.

Itella Ltd

Key Statistics

Name of company: Itella Ltd

Founded: 1638

Location of headquarters: Helsinki, Finland

Name of Chief Executive Officer: Jukka Alho

Number of operating countries: 15

Number of full-time employees: 31,000

Number of facilities: 700

Number of vehicles: 4,000

Energy reduction targets: 1-2 percent per annum

Greenhouse gas reduction targets: Ten percent from 2007 to 2012 and 30 percent from 2007 to 2020. The Itella target is related to CO_2 / net sales.

www.itella.com

Sustainability Vision

Environmental issues are a central part of Itella's corporate responsibility programme. They are also reflected in Itella's Code of Ethics, which was adopted in 2006.

Enhancing the flow of physical material and converting paper communications to electronic format are among Itella's core competencies. This includes reducing the environmental impacts of sorting and delivery operations and developing new electronic business activities that add value to the business. This allows Itella to meet the ecological expectations of its customers and other stakeholders and ensure long-term business continuity.

The Challenge

Introduction to the project

As the nation's largest transport and delivery company, Itella plays a major role in the development of eco-friendly transportation systems. Itella has an objective to reduce its carbon dioxide emissions. This includes increasing our use of low emission vehicles. The structured and planned nature of postal delivery runs makes them highly suitable for the testing of alternative vehicle technologies and fuel types.

Itella aims to change 50 percent of its traditional mopeds to electric power by 2012

Results and key findings

Itella has tested electric-powered mopeds in mail delivery since the year 2008. At the moment, Itella is also testing ten oxygen mopeds and five Norsjö Carrier Electronic Post mopeds, one being used in Kemijärvi, Lapland. These electric mopeds are loaded outdoors which requires Itella to further warm the batteries during charging.

The mopeds are used in densely populated one-family and row house areas and deliver mail over distances of 10-25 km each day. Each of these electric mopeds produces 12,925 g less CO_2 per 100 km than a traditional gasoline moped.

Next steps for improvement

Itella aims to change 50 percent of its traditional mopeds and all-terrain vehicles to electric-powered mopeds by the year 2012 and 100 percent by the year 2016.

Carbon neutral green products

In September 2009, Itella introduced carbon neutral products in Finland. These products enable its customers to reduce CO_2 emissions in their supply chains and participate as partners in the effort against climate change. The carbon dioxide emissions of all green shipments are calculated and fully compensated through established carbon offset projects including the Gold Standard certified Mare Manastir wind farm project in Turkey.

The green service can be selected for Itella Express and Itella Economy parcels as well as Priority and Economy letters, magazines and newspapers, addressed and unaddressed direct mail and free newspapers. The Itella green product family will expand to cover consumer services during 2010, and other geographic markets in the coming years. Participating in carbon offset projects also incentivises Itella to reduce its own emissions.

- www.cdmgoldstandard.org
- www.itella.com/itellagreen

Magyar Posta

Key Statistics

Name of company: Magyar Posta Zrt.

Founded: 1994

Location of headquarters: Budapest, Hungary

Name of Chief Executive Officer: Ildikó Szüts

Number of operating countries: One

Number of full-time employees: 35,973 (statistical)

Number of facilities: 28,553

Number of vehicles: 37,933

Energy reduction targets: Increase the use of renewable energy by 30 percent between 2010 and 2013

Greenhouse gas reduction targets: Ten percent from 2008 to 2012

www.posta.hu

Sustainability Vision

Magyar Posta published its first environmental policy in 2001. This was updated in 2008 to address European Union requirements and evolving national regulation. The company also produces an annual sustainability report.

Magyar Posta implemented the ISO 14001:2005 Environmental Management System (EMS) standard at three postal sites between 2006 and 2008. A further three sites are currently preparing for certification. Magyar Posta is also committed to the reduction of greenhouse gases, and to the reduction of its carbon footprint by 30 percent by 2013.

To achieve this goal it is expanding its procurement of renewable or green electricity, applying sustainable architectural techniques and updating its vehicle fleet. It is also increasing the percentage of waste sent to recycling.

The Challenge

Introduction to the project

A number of energy-related initiatives are in progress:

- Buildings: Magyar Posta has initiated the establishment of an environment and energy conscious "ecopost" project. The objective of the project is to examine the materials and tools, building engineering solutions and renewable energy sources that can be applied to produce an energy saving "ecopost" building. This would include the use of natural lighting.
- Informatics: Magyar Posta has identified numerous ways of reducing energy linked to informatics. In 2004, senior managers accepted the"serverfarm developmental program", i.e. virtualising the server environment.
- Renewable energy: Two significant initiatives were implemented in 2008. This included the deployment of sun collectors in the National Logistic Centre, which now produce enough energy to cover the production of hot water. The post operation of Veresegyház has also connected its heating supply to a thermal-based district-heating system.

- "Greenpost": Magyar Posta is already operating three electric cars in Szentendre, and will soon begin testing three additional electric-hybrid cars. Magyar Posta also provides delivery supply with eight slow electric cars for use in environmentally sensitive and historical areas including Buda Castle, Debrecen, Pécs and Siófok. The company operates a successful taxi system of non-mail carrying vehicles from Budapest to certain parts of the country, and has implemented videoconferencing facilities in six office locations to further reduce the environmental strain caused by the transport.

Results and key findings

These initiatives have already yielded significant results:

- Buildings: While the investment in "ecopost" (planned for 2010) is higher than in a traditional post building, the average annual energy consumption of the A+ building will be lowered by around 52 percent, thus reducing CO_2 emissions by about 57 percent. Over time this will lead to significant energy and monetary savings.

- Informatics: Virtualizing the server environment has already led to a 53 percent energy saving and a 57 percent reduction in CO_2 emissions annually (compared to the years before 2007).

- Renewable energy: According to estimations, the sun collectors deployed on the flat roof of the National Logistic Centre will save 30,780 m^3 natural gas annually. This will enable the facility emission reduction of almost 12.8 percent per annum. The use of geothermal energy in Veresegyház will enable emission reductions of 28.5 percent (compared to last year).

Next steps for improvement

Magyar Posta has planned to complete further studies on the possible use of renewable energy. Its goal is to introduce the sun collector-produced hot water system in other postal facilities. Magyar Posta is also identifying ways to consider the reduction of CO_2 emissions for new buildings, investments, business developments and looking into carbon offset or neutralisation opportunities. Medium-term plans will implement training to influence the "climate change attitude" of postal employees, and focus on waste separation into paper, plastic, glass, metal, organic, etc.

Solar power and geothermal energy contribute to the alternative energy portfolio of Magyar Posta

Sun collectors on the National Logistic Centre, Budaörs

New Zealand Post

Waste to landfill reduced by 62 percent

Key Statistics

Name of company: New Zealand Post Ltd

Founded: 1987

Location of headquarters: Wellington, New Zealand

Name of Chief Executive Officer: Sam Knowles (Acting Chief Executive Officer)

Number of operating countries: One

Number of full-time employees: 12,000

Number of facilities: 374

Number of vehicles: 1,600

Energy reduction targets: Five percent from 2007-2008 to 2009-2010 and seven percent from 2007-2008 to 2010-2011

Greenhouse gas reduction targets: Twelve percent from 2008 to 2012

www.nzpost.co.nz

Sustainability Vision

The New Zealand Post Group has been part of New Zealand communities for nearly 170 years. The company takes its responsibility as a corporate citizen very seriously. Sustainability sits at the heart of business planning, and New Zealand Post recognises that how it does business affects not just its own future, but that of its customers, suppliers and host communities.

The Challenge

Introduction to the project

One of New Zealand Post's largest processing sites identified high levels of waste to landfill and the increasing waste disposal costs, as an opportunity for improvement. The site initiated a waste to landfill reduction programme with a baseline audit to identify the source and composition of waste.

The audit, which involved sorting, separating, weighing and recording three days of waste, found 45 percent of waste to be recyclable, 37 percent compostable and only 18 percent as real landfill waste. A programme of work was designed based on these results, with the target to reduce waste to landfill by 40 percent in six months.

Waste auditing at one of the New Zealand Post processing sites

> "Sustainability sits at the heart of our business planning, and we recognise that how we do business affects not just our own future, but that of our customers, suppliers and communities."
>
> **Sam Knowles, Acting CEO, New Zealand Post**

The programme was branded GoGreen and was supported by strong management-led communications that started three weeks prior to going live. Key to the programme's success was a team of 15 volunteers called "GreenKeepers" that acted as team and area champions. To help people make the transition, waste cubes and paper recycling trays replaced individual rubbish bins while ceramic cups and drink bottles replaced polystyrene cups. In addition, recycling stations were set up throughout the site.

Results and key findings

A second waste audit was undertaken twelve months after the initial audit. It found waste to landfill to have reduced by 62 percent, significantly exceeding the original target of 40 percent. Paper recycling showed the main improvement with the amount going to landfill being reduced from 26 percent of all waste to only 2.3 percent. By diverting waste from landfill, actual savings for this one location amounted to approximately NZ$42,000 per annum.

Employee support was critical to turning the event into a sustainable "new way of working". The GreenKeepers passion was infectious, spreading across the organisation, assisting with employee engagement and real behavioural change.

The programme was so successful it has served as the model for establishing a baseline target for waste minimisation across the New Zealand Post Group. In 2008, some 88 baseline audits were completed and location specific waste reduction targets are now in place for 2009. The Group has also improved its greenhouse gas reporting using the ISO 14064 standard and the World Resources Institute Greenhouse Gas Protocol, and now includes waste as a Scope 3 emission.

Next steps for improvement

A composting initiative now complements the waste reduction programme at the orginal mail processing site. Double sided printing and product recycling are now common-place across the business.

- www.ghgprotocol.org
- www.iso.org

Posten Norge

Key Statistics

Name of company: Posten Norge

Founded: 1647

Location of headquarters: Oslo, Norway

Name of Chief Executive Officer: Dag Mejdell

Number of operating countries: One

Number of full-time employees: 25,851

Number of facilities: 766 (group)

Number of vehicles: 5,547 (group)

Energy reduction targets: In development

Greenhouse gas reduction targets:
Ten percent from 2007 to 2011

www.posten.no

Posten Norge

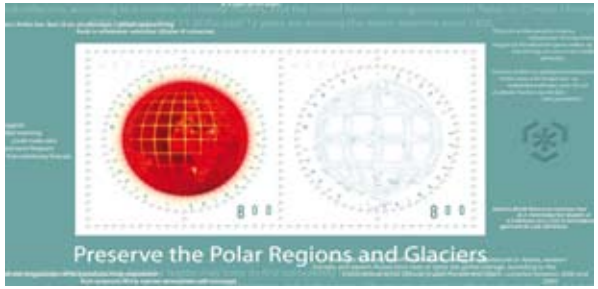
Sustainability Vision

Norway Post's vision is to work actively to achieve environmentally efficient operations and sustainable development. This aligns with its goal to become the world's most future-oriented post and logistics group.

The Challenge

Introduction to the project

Norway Post aims to ensure that up to 80 percent of freight is transported by rail wherever possible. Over the last year it transferred large parts of its cargo freight from road to rail transport. This trend is set to continue, as demonstrated by Norway Post's recent signing of an agreement with CargoNet, that will transport goods to a value of KR1 billion by rail over the next three years.



There are challenges, however, to moving more freight by train. These include limited rail track capacity and pre-existing transport hubs and terminals that do not necessarily meet Norway Post's needs. Nonetheless, it is working closely with consumers, the government and suppliers to develop robust long term solutions that meet all quality, economic and environmental requirements. Thanks to an already well established use of railways within its domestic and international logistics networks, it is in a strong position to do this. As a result, rail transport will play a key role in further decreasing Norway Post's carbon footprint.

Results and key findings

In 2002, approximately 52 percent of the intercity freight in Norway was transported by rail where available. This proportion has increased each year and now stands at 83 percent.

In April 2009, Norway Post's major road transport route between Oslo and Bergen became fully rail-based. As a result, a total of 1,250 trucks have been replaced by rail transport between Norways's two largest cities. Other transport routes are close to achieving a 100 percent rail-based service, but challenges remain in terms of continuing to meet customers' quality and time requirements. Nonetheless, Norway Post is actively exploring new and innovative solutions to this challenge.

Norway Post is also partnering with customers to expand the use of rail transport systems internationally. In May 2008, Bring Frigoscandia implemented a rail freight system to replace trailer trucks on the Oslo-Taulov (Denmark) line. A similar model has also been put in place on the Taulov-Verona (Italy) line. Furthermore, it has worked with IKEA to establish an efficient and reliable rail transport system between the IKEA hub in Sweden and Norway. Delivery quality is closely monitored on this route, which regularly achieves a rating of 98 percent (based on measuring arrival on schedule within one minute). This demonstrates that it is possible to combine environmentally friendly rail transport with high standards of quality.

> "Our customers are querying about our environmental standards, so the demands from the customers are increasing and it is a part of their decision-making."
>
> **Dag Mejdell, CEO, Norway Post**

Next steps for improvement

Norway Post will continue to improve its environmental performance by further expanding its use of innovative rail transport solutions in partnership with customers, suppliers and the government.

P&T Luxembourg

Key Statistics

Name of company: Entreprise des Postes et Télécommunications

Founded: 1992

Location of headquarters: Luxembourg

Name of Chief Executive Officer: Marcel Gross

Number of operating countries: One

Number of full-time employees: 2,927

Number of facilities: 250

Number of vehicles: 834

Energy reduction targets: In development

Greenhouse gas reduction targets: In development

www.pt.lu

Sustainability Vision

P&T Luxembourg is aware of its role as an important fully-owned state company with a leading position in the Luxembourg economy, and is committed to limiting the environmental impact of its postal, telecom and financial services activities. P&T Luxembourg has thus developed a policy framework and strategy for environmental protection, established an ambitious investment plan for improved building and transport efficiencies and implemented awareness raising communications programmes amongst employees.

> "A public operator like we are has to lead the way towards environmental engagement. Our aim is to act as a socially responsible company and thus to inspire our clients, our subsidiaries and our business partners to do so as well."
>
> **Marcel Gross, CEO, P&T Luxembourg**

The Challenge

Introduction to the project

P&T Luxembourg has an important investment program for efficient buildings. It also recently acquired seven gas-powered and hybrid vehicles for testing across several departments. After a successful test period, these new generation cars could be the first step towards a larger renewal of the fleet.

Achieving reductions in energy consumption requires change in the behaviour of people. P&T Luxembourg launched several initiatives at the beginning of 2009 to promote "green" mobility and build employee engagement.

This included the development and dissemination of a leaflet about eco-driving, which was distributed to all employees. The leaflet addressed driving style, speed and care as important indicators of increased fuel efficiency. It also emphasised the need for regular checks on the overall technical condition of the vehicles. Dissemination of the leaflet beyond drivers to the entire workforce was intentional in order to promote efficient practices beyond the workforce.

P&T Luxembourg has also implemented an electronic carpooling platform for commuting and business purposes as well as for leisure activities, and will continue the progress towards green mobility by providing access to bicycles or sponsoring the use of public transportation.

Results and key findings

While many of the initiatives remain recent, initial reactions to the implementation of "green" mobility initiatives have been very positive. Employees have demonstrated significant interest and increased awareness of environmental issues. Employees are also submitting more and more ideas on the protection of environment and energy savings through a quarterly internal "iddibox" competition. This suggests that employees are more engaged in both their professional and personal contribution to preserving the environment, and understand the reputational and business benefits for P&T Luxembourg.

In addition to green mobility, P&T Luxembourg has also undertaken a number of initiatives related to waste recycling and building infrastructure. The new postal sorting center built in 2006 in Bettembourg, is equipped with an advanced cogeneration system that provides electricity and heat. P&T Luxembourg also switched to 100 percent green electricity generated by hydroelectricity and wind power in 2009. Recycling of waste is an established part of day-to-day work at most locations. More than 25 larger branches, the national sorting centre and the postal print shop have already been awarded the Luxembourg "SuperDrecksKëscht fir Betriber" label and a programme is in place to extend the label throughout the company.

Next steps for improvement

Based on the general guidelines for environmental policy and strategy recently adopted by the P&T Luxembourg board, the company and its subsidiaries will continue to maintain a high level of awareness among its employees for environmental issues, continue the investment program for efficient building and transportation and implement a robust monitoring and control system for the management of energy.

Posten Norden

Key Statistics

Name of company: Posten Norden

Founded: June 2009 (merger between Post Danmark A/S and Posten AB)

Location of headquarters: Stockholm, Sweden

Name of Chief Executive Officer: Lars G. Nordström

Number of operating countries: Eleven

Number of full-time employees: 50,000

Number of facilities: N/A

Number of vehicles: 15,000

Energy reduction targets: In development

Greenhouse gas reduction targets: In development

www.postdanmark.dk
www.postennorden.com
www.posten.se

Sustainability Vision

The vision for Posten Norden (formed from the recent merger of Posten AB and Post Danmark A/S) is to be the environmentally correct choice for customers. To achieve this goal, Posten Norden will maintain its strong focus on reducing energy use and ensuring that energy used is cleaner and more sustainable. Posten Norden plans to do this through strategic investment and infrastructure decisions with a view to becoming less dependent on fossil fuels.

Posten AB delivery using an electric-powered vehicle

The Challenge

Introduction to the project

Both Posten AB and Post Danmark A/S have actively pursued climate and environmental issues for more than two decades. This work will continue in Posten Norden, where a number of responsible practices are already well entrenched. These include fuel efficiency initiatives, ecodriving, lower speed limits for vehicles and energy efficiency initiatives for buildings.

Posten AB and Post Danmark A/S have worked with climate and environmental issues in different ways, but with the same goal: to reduce their carbon footprint. For instance, all of Posten AB's operational managers, line managers, supervisors and specialists have completed mandatory environmental education and training. In 2008, Posten AB launched a new interactive education programme focusing on climate change issues. Post Danmark A/S has implemented a tool for optimising transport route planning in rural and urban areas. The tool has reduced the number of kilometres driven by almost 2.5 million km per annum and is used continuously to streamline the Post Danmark A/S routes, improve delivery times and further reduce mileage.

The experience, collective knowledge and enhanced economies of scale from a merged Posten AB and Post Danmark A/S put Posten Norden in an even better position to reduce its carbon footprint.

Results and key findings

Both Post Danmark A/S and Posten AB have long established carbon accounting records that provide clear evidence of ongoing work to reduce emissions.

Post Danmark A/S has measured its carbon footprint since 1996. During this period its total CO_2 emissions have been reduced by 14 percent, despite an increase in net sales of more than 24 percent over the same period. CO_2 emissions in relation to net sales have decreased by approximately 31 percent, showing how financial growth and the emission of greenhouse gases have been successfully decoupled.

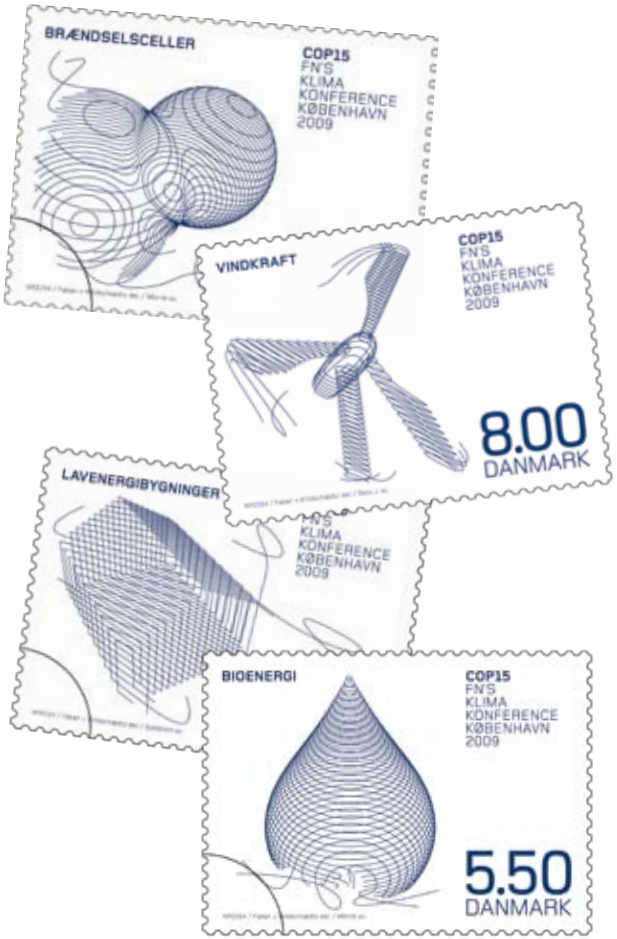
Posten AB's CO_2 emission target is integral to its corporate balanced scorecard. Its performance against this target is presented to management and the board every three months. This has significantly increased the organisation's awareness of its carbon footprint and highlighted improvements in performance. Between 2006 and 2008, CO_2 emissions in relation to net sales decreased by approximately nine percent.

Posten AB is also certified to the ISO 14001 environmental management systems standard and has launched a Climate Fund which will form a key part of Posten Norden's efforts to further reduce CO_2 emissions.

Next steps and improvement

Posten Norden will benefit from the historically strong focus on sustainable growth in both Posten AB and Post Danmark A/S and will capitalise on the new economies of scale and know-how offered by the new company. This will help accelerate the transition from fossil fuels to more sustainable forms of energy as well as investment in infrastructure to reduce the climate impacts of operations.

Posten Norden will continue to operate the Climate Fund established by Posten AB. The role of the Climate Fund is to help finance additional and extraordinary actions to further reduce the group's CO_2 emissions. In 2009, approximately €5.3 million was allocated to the fund for this purpose. It is through climate initiatives such as this that Posten Norden will work to fight climate change, and through the partnerships it has with customers and stakeholders.



Royal Mail Group

Key Statistics

Name of company: Royal Mail Group Ltd

Founded: 1660

Location of headquarters: London, United Kingdom

Name of Chief Executive Officer: Adam Crozier

Number of operating countries: One

Number of full-time employees: 176,156

Number of facilities: 16,000 (including post offices)

Number of vehicles: 33,833

Energy reduction targets: Under review

Greenhouse gas reduction targets: Under review

www.royalmailgroup.com

Sustainability Vision

Royal Mail aims to demonstrate leadership in the area of sustainability and environment that befits its position in the postal sector and the United Kingdom. Royal Mail's vision is to be "the lowest carbon postal operator in Europe". To achieve this vision its services must be grown in a sustainable way with a low environmental impact.

> "We want to run businesses that take responsibility for minimising their impact on the environment. Our people want this, too, and so do our customers."
>
> Adam Crozier, CEO, Royal Mail

The Challenge

Introduction to the project

Royal Mail collects, sorts and delivers 75 million letters, packets and parcels every working day. To achieve this, the business runs a highly efficient, complex, logistics operation able to deliver to 27 million addresses in the United Kingdom and with links to all countries worldwide. Royal Mail is committed to reducing its environmental impact. The company believes this is both the right thing to do, and also makes commercial as well as financial sense. Royal Mail's award winning carbon management programme focuses on its key impacts. This includes its large vehicle fleet, an area which will be heavily targeted to achieve the aim of emissions reductions.

Royal Mail faces a significant challenge in reducing the environmental impact of its large vehicle fleet while maintaining high quality of service and delivering in line with customer expectations. The current and near-future alternative fuel vehicle market does not cater well for larger vehicles. Its initial focus is therefore on increasing efficiency through better route planning, more efficient vehicle utilisation and eco-driving, while at the same time capability testing alternative vehicles for the future. This focus is clearly demonstrated by the project to introduce 341 double-deck trailers into the Royal Mail network. This will significantly increase the carrying capacity of its vehicles and in turn reduce the number of miles covered.

Results and key findings

The new double-deck trailers can carry 75 roll cages or 92 roll cages giving each vehicle an increased carrying capacity of 53 percent and 87 percent respectively. This translates into reduced road runs, reduced fuel consumption and therefore reduced emissions. The use of recyclable, aluminium cored side panels in the largest trailers also allow a lower unladen weight, improved payload capacity and further reduced fuel consumption.

The first 50 trailers are estimated to have reduced annual mileage by 1.98 million miles and saving 3,175 tonnes of CO_2 each year. Royal Mail now has all of the 341 double-decker tailers operating in its network.

This project requires a significant initial financial commitment in order to increase the efficiency of the Royal Mail vehicle fleet and reduce its environmental impacts. It also demonstrates the range of benefits from looking at the business operating model and investing in change. It means Royal Mail is equipped to maintain a first class service, deliver for its customers and be responsible for its environmental impact.

Next steps for improvement

Carbon management is by its nature a process of continuous improvement. There are always new opportunities to reduce emissions and to work more efficiently. Among the next steps for Royal Mail is the development of an internal marginal abatement cost curve tool to assist its decision-making on which investments to implement depending on the relative emissions reductions per £ of investment.

SWISS POST

Key Statistics

Name of company: Swiss Post

Founded: 1849

Location of headquarters: Bern, Switzerland

Name of Chief Executive Officer: Michel Kunz

Number of operating countries: 18

Number of full-time employees: 59,184

Number of facilities: 2,471

Number of vehicles: 21,000

Energy reduction targets: Reduction of non-renewable heat by ten percent from 2000 to 2010 and reduction of fuel consumption by eight percent in the same period. Further, limit the increase of consumption of non-renewable electricity and increase the use of renewable energy.

Greenhouse gas reduction targets: Ten percent from 1990 to 2010 and ten percent from 2007 to 2012

www.swisspost.ch

Swiss Post

Sustainability Vision

Our commitment

Swiss Post is committed to business policies that aim to achieve a balance between financial, social and environmental objectives and fulfill its responsibilities to society. The strategy on climate change has three main areas of activity. Firstly, to improve energy efficiency through process optimisation and investments. Secondly, to increase the percentage of renewable energy when building new facilities and by procuring more energy generated from renewables. Thirdly, to offset the remainder by purchasing CO_2 emissions certificates.

Swiss Post developed and implemented its environmental policy in 1998. In addition to meeting the targets of the Kyoto Protocol, it is also committed to the more stringent objectives of the SwissEnergy programme, which requires a ten percent reduction in its carbon footprint between 1990 and 2010. Swiss Post reduced its emissions by 8.5 percent between 2000 and 2007. In June 2007, it also joined PostEurop's CO_2 reduction program, which aims to reduce the CO_2 emissions of participating postal organisations by ten percent between 2007 and 2012.

The Challenge

Introduction to the project

Swiss Post operates one of the biggest vehicle fleets in Switzerland in order to deliver an efficient, nationwide postal service. These vehicles also account for around 60 percent of its CO_2 emissions. Swiss Post is taking several actions to improve energy efficiency in this area.

The "e-scooter" is increasingly used in Swiss Post delivery

Swiss Post's vehicle strategy is aimed at the long term. Transport planning is given high priority as vehicles that are optimally loaded lead to significant reductions per transported unit.

Modern transport planning tools also help avoid empty vehicles and optimise the mix between road and rail. When procuring new vehicles Swiss Post aims to buy the latest low-emission and energy-efficient models. Swiss Post now only buys vehicles with particulate filters and that meet the more stringent Euro 5 exhaust standards. It is also using double-decker trucks to further increase load and associated carbon efficiencies. This is estimated to save a million kilometers and nearly 300,000 liters of diesel fuel annually; leading to a CO_2 emission reduction of around 800 tonnes each year. The fleet manager and Group Subsidiary Mobility Solutions AG are continually analysing environmentally friendly fuels and investigating the suitability of alternative engine systems and technologies that meet the demands of deployment in a challenging geography and postal environment.

Since July 2009, Swiss Post has been using 140 natural gas powered vehicles for parcel deliveries. These vehicles emit 10 percent less greenhouse gases than the diesel engine equivalent. In addition to gas-powered and hybrid vehicles, the Swiss Post fleet also includes electrically powered "e-scooters" ("cargo scooter").

> "We care about climate protection and aim for leadership in energy efficiency - for and with our customers, business partners and employees."
>
> **Michel Kunz, CEO, Swiss Post**

Results and key findings

In September 2008, Swiss Post decided to buy 250 electrically powered "cargo scooter" mopeds. The decision-to-purchase followed a two-year pilot project to find an eco-friendly alternative two-wheeled vehicle for domestic letter deliveries. Swiss Post now has the largest fleet of this type of delivery vehicle in Europe. While the total cost of ownership for e-scooters is slightly higher than some petrol alternatives, they are expected to be more competitive due to increasing fuel prices.

The use of electric engines significantly improves energy efficiency and eliminates the noise previously associated with traditional "Töffli" mopeds. This was most appreciated by householders during ther two year trial period.

Swiss Post also procures 100 percent renewable electricity from hydro sources. This means its e-scooters have a virtually neutral energy balance. Compared with conventional two stroke models, each e-scooter saves approximately 200 litres of fuel per annum, amounting to over 50,000 litres in total. This is equivalent to saving 100 tonnes of CO_2 a year. The new scooters also have zero noxious emissions.

Next steps for improvement

Swiss Post is planning to expand its fleet of e-scooters by 2012. It will also be increasing the number of low-emission delivery vehicles, raising the proportion of low-emission engine systems to 15 percent by 2015. This includes natural-gas and hybrid vehicles as well as electric vehicles.

With this kind of programme, Swiss Post shows clear committment in economic, social and environmental decision-making.

TNT

Key Statistics

Name of company: TNT

Founded: The original Dutch postal company PTT Post was founded in 1799. TNT was founded in Australia in 1946 and became part of PTT Post in 1996

Location of headquarters: Hoofddorp, the Netherlands

Name of Chief Executive Officer: Peter Bakker

Number of operating countries: Mail activities in eight countries and express activities in 200 countries

Number of full-time employees: 151,000 (TNT Mail and TNT Express)

Number of facilities: 3,500,000 m^2

Number of vehicles: About 14,000 trucks and vans

Energy reduction targets: In development. TNT is finalising the development of its internal CO_2 performance management system before establishing and communicating CO_2 targets

Greenhouse gas reduction targets: In development

www.group.tnt.com

Sustainability Vision

TNT's corporate responsibility commitment is an integral part of its business strategy. Four key areas of activity include:

- People: The TNT business is all about people. Ensuring employees are engaged, healthy and safe is seen as a critical part of its success.
- Planet: Long-term environmental commitment is closely linked to TNT's ambition to become the world's first zero-emission transport company.
- Supply chain: Suppliers are an important part of the wider TNT value chain. Cooperation and engagement with suppliers will exponentially increase the net positive impact on environment.
- Philanthropy: As a beneficiary of globalisation, TNT has an inherent responsibility to give back to society. TNT's approach is to contribute by leveraging its core logistics and transportation competence.

The Challenge

Introduction to the project

The energy consumption of TNT buildings accounted for 16 percent of its Scope 1 and Scope 2 CO_2 emissions in 2008. TNT's aim is to make all new buildings (offices and depots) at least CO_2 neutral. Facilities will generate enough energy to meet their own requirements and employ innovative solutions for lighting, efficiency and climate control.

The TNT Board is committed to the development and ten-year lease of its first green office in Hoofddorp. This forms part of a total development and lease of approximately 70,000 m^2 of green offices in the Netherlands. The first CO_2 emission-free TNT building worldwide was the Veenendaal distribution centre which opened in October 2008.

> “Learning from best practice, comparing data, comparing new technologies and new ideas that other companies are implementing. Sharing the things that we are learning inside TNT with the other posts, will make the whole sector, the whole industry better.”
>
> Peter Bakker, CEO, TNT

Reducing the environmental impact of buildings requires, as a first priority, an increase in the efficient use of energy regardless of source (electricity, gas, sustainable electricity etc.). TNT has also made significant progress in the use of sustainable electricity as a percentage of total electricity consumption. In the Netherlands, 100 percent of electricity consumption comes from sustainable sources for locations where TNT manages the electricity contract.

Results and key findings

In 2007, TNT Mail purchased 5.5 percent sustainable electricity as a percentage of total electricity. By the end of 2008, this figure had increased to 69.4 percent. Its CO_2 efficiency for buildings improved from 63.5 kg CO_2 per m^2 (2007) to 36 kg CO_2 per m^2 in 2008.

Next steps for improvement

Protecting the planet is a key part of the TNT corporate responsibility strategy. It's called Planet Me. Launched in 2007, Planet Me is an holistic environmental programme. Its key objective is to dramatically reduce TNT's environmental impact by improving the fuel efficiency of all operations worldwide.

Planet Me has three main areas of work:

- Count Carbon: Using a comprehensive system to continuously measure and monitor TNT's CO_2 performance in these and other operational areas allows TNT to manage its own footprint and support customers in managing theirs.
- Code Orange: The cornerstone of Planet Me, Code Orange consists of programmes to improve the CO_2 efficiency of TNT's core operational activities, namely vehicles, aircraft and buildings.
- Choose Orange: TNT knows that engaging employees to adopt sustainable behaviour at work and home will exponentially expand its positive impact on the environment.

United States Postal Service

Key Statistics

Name of company: United States Postal Service

Founded: 1775. Benjamin Franklin was appointed to serve as Postmaster General of the United Colonies

Location of headquarters: Washington D.C., United States

Name of Chief Executive Officer: John E. Potter, Postmaster General and Chief Executive Officer

Number of operating countries: One (including fifty states and five territories)

Number of full-time employees: 618,000

Number of facilities: 34,000

Number of vehicles: Nearly 220,000, of which more than 43,000 are alternative fuel capable

Energy reduction targets: 30 percent from 2008 to 2015. USPS will also reduce petroleum use by 20 percent by 2015 and increase fleet vehicle alternative fuel use by ten percent.

Greenhouse gas reduction targets: 20 percent from 2008 to 2020

www.usps.com

Sustainability vision

The USPS mission is to deliver both now and for future generations, with every step it takes leaving a green footprint across the American landscape.

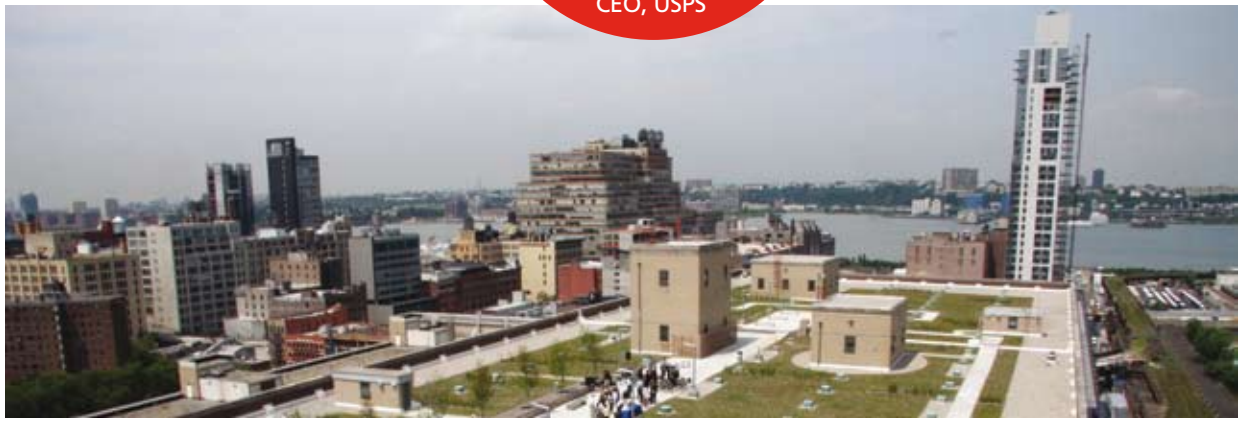
The USPS sustainability group is leading a postal-wide effort to get the most out of the energy used from mail processing equipment, to vehicles and facilities. The company continually invests in energy saving improvements. As it renovates or replaces older facilities, adds new facilities or upgrades building systems, they are designed to be energy efficient and environment friendly.

> "Our mission is to deliver now – and for future generations. With every step we take, we are committed to leaving a green footprint across the landscape."
>
> John E. Potter, CEO, USPS

The Challenge

Introduction to the project

The USPS has numerous energy management activities ongoing, as well as plans to expand its current successes. To give visibility and urgency to energy reduction efforts, a new indicator has been added to the USPS National Performance Assessment, and will affect employee pay for performance in 2011. This indicator is an energy index that tracks USPS consumption of electricity at facilities and petroleum-based fuel used by USPS-owned vehicles.



USPS roof-top garden in New York, United States

The indicator measures compliance with the goals of the Energy Independence Security Act of 2007, which requires the reduction of energy intensity in USPS facilities by 30 percent by 2015, and petroleum-based fuel consumption of USPS-owned vehicles by 20 percent by 2015.

Results and key findings

In fiscal year 2009, USPS monitored its electricity and fuel reduction performance across facilities and vehicles. For instance, through its capital improvements and low-cost, no-cost activities, the company has reduced electricity consumption by more than four percent from fiscal year 2008. In fiscal year 2010, the national performance energy indicator will be part of a suite of performance matrices used during annual employee reviews.

By reducing its energy and fuel consumption, USPS is reducing its carbon emissions and carbon-related environmental impacts. This energy management effort includes energy conservation, utility optimisation and use of renewables to make USPS buildings, vehicles and equipment more efficient and reliable, and to provide a safe and healthy environment for employees and customers. It also saves USPS time and money, and contributes to environmental quality and national security.

Next steps for improvement

The sustainability group is currently developing the Corporate Energy Interface, a robust energy "data mart" that will provide a central repository of facility and vehicle energy data, including use and expense. This system will house timely energy data available from numerous existing stand-alone USPS systems and provide monthly performance data and reports for the pay-for-performance scheme.

At the same time, the facilities team is developing an Enterprise Energy Management System (EEMS), which will consolidate all building energy-related information including costs, consumption, building metrics, audit history, prior energy improvements and, where appropriate, real-time performance information from building systems. EEMS will also have the capability to provide local and remote monitoring to help identify reduction opportunities and ensure systems are operating at peak performance.

Next Steps

1 Improving EMMS programme

Significant work will take place on existing EMMS documentation following the verification and assurance engagements completed between June and October 2009. This will include changes to the existing EMMS questionnaire in line with best practice and member feedback and changes to the EMMS guidance materials. The latter will include the development of an appendix including a glossary to eliminate any ambiguities in language or indicator descriptions, as well as a decision tree step-by-step approach to carbon accounting. We will also set up a working group to ensure new EMMS tools are in-line with member expectations and the emerging, more rigorous requirements of stakeholders.

2 EMMS for emerging economies

We will develop an introductory version of the EMMS for post companies in developing countries and emerging economies. This introductory EMMS will focus on management systems and will be largely qualitative, designed to raise awareness. We plan to develop and disseminate this introductory EMMS in 2010. The introductory EMMS will explain how postal companies impact the environment, why carbon management is important to posts and what posts can do to reduce their impact on the environment.

3 Value chain management

IPC members have requested further development of the IPC EMMS. In response, we will develop a Value Chain Management System (VCMS) in tandem with EMMS, but focusing on ethical standards in relationships with stakeholders. The work will begin with a further survey of value chain elements and sustainability issues considered to be relevant to the sector. The VCMS will be piloted in 2010 among IPC members. This will include the testing of a questionnaire and guidance with members, the presentation of pilot results and the formulation of a programme of work for year two.

> “In addition to working directly with member companies to promote and improve carbon performance, IPC will also implement a number of related programmes of work on corporate responsibility.”
>
> **Jane Dyer, Director Markets, Communication and Sustainability, IPC**


EMMS participants delivered more than 291 billion letter mail and parcel items in 2008.

maplecroft
risk responsibility reputation

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Maplecroft is the leading source of global risks intelligence. We analyse, index and map over 100 global risks to help organisations identify areas of high risk and navigate the complex challenges encompassed by climate change, pandemics, resource security, terrorism and human rights. Our comprehensive portfolio of data sets, risk indices, interactive maps and country reports are complimented by an award-winning reporting service and a unique company rating system that calculates exposure to risks across supply chains, operations and distribution networks.

To the management of the International Post Corporation (IPC)

Expert Commentary on the *IPC Postal Sector Sustainability Report 2009*

Background

Maplecroft has worked with the International Post Corporation (IPC) since 2005. Maplecroft was involved in the verification of 2009 Environmental Measurement and Monitoring System (EMMS) data submitted by 18 of the 20 EMMS participants.

This statement provides insight into the verification and reporting process, which includes our inspection of EMMS participant carbon accounts in line with the ISO 14064 Standard and the process of checking data.

Maplecroft professionals involved in the EMMS verification and sustainability reporting process are experts in their respective disciplines and are trained ISO 14001 and ISO 14064 auditors. Maplecroft recognises that it is not an independent party due to its ongoing involvement in the EMMS programme.

Methodology

We are satisfied that the indicators presented in this *IPC Postal Sector Sustainability Report 2009* are an accurate aggregation of data provided by each of the EMMS participants and checked by Maplecroft experts.

Maplecroft worked closely with relevant discipline experts within IPC in the compilation, analysis and review of data presented in this report. Rigorous peer review within Maplecroft took place to ensure the accurate and comprehensive representation of original data. Any queries, anomalies or gaps in data were rectified through direct engagement with EMMS participants and IPC discipline experts. The rigour of our work was guided by the social audit process of inspection, enquiry and observation.

Inspection

We reviewed a wide range of documents including both the IPC EMMS guidance and EMMS questionnaire and completed EMMS submissions from all 20 participants. This was supplemented by further evidentiary documentation provided by each of the EMMS participants, such as annual and sustainability reports, the minutes of internal meetings, raw energy and carbon accounting data spreadsheets and electronic reporting applications. Maplecroft also reviewed internal strategy and assurance documents and reports where available along with other documents including internal magazines and action plans.

The Towers, St. Stephen's Road, Bath, BA1 5JZ, United Kingdom

Enquiry

Maplecroft supplemented primary data obtained through EMMS submissions from each participating company with telephone and on-site interviews of discipline experts at each of the 18 companies it visited. This included direct engagements with sustainability or environment managers, facilities and fleet management teams as well as communications and finance departments. These interviews sought to verify the carbon accounts of each member company submitted as part of the 2009 EMMS cycle, and also to explore the implementation of carbon management systems.

Observation

The 18 EMMS participants engaged and visited by Maplecroft included: An Post, Australian Postal Corporation, Canada Post Corporation, Sociedad Estatal Correos y Telégrafo, CTT Correios de Portugal SA, De Post – La Poste, Hellenic Post S.A. (ELTA S.A.), Itella Ltd, Magyar Posta Zrt., New Zealand Post Ltd, Posten Norge, Entreprise des Postes et Télécommunications Luxembourg, Posten Norden, Royal Mail Group Ltd, Swiss Post, TNT and United States Postal Service.

Maplecroft provided each of the 18 companies with a summary of findings and recommendations for continuous improvement in their respective carbon management and accounting.

Recommendations

We recommend the following key activities to improve the EMMS programme and the content of future reports:

- To enhance the existing EMMS guidance materials and questionnaire and to develop a simple electronic accounting tool, either Excel or web-based. This will reduce the likelihood of accounting errors for member companies and enable more efficient aggregation of data for future sustainability reports.
- To expand the depth and breadth of the current programme to focus on other relevant environmental, ethical and social issues as well as the value chains of participants, including the performance of their suppliers and distribution networks.

We believe this report presents a relevant and complete statement of EMMS work ongoing both within IPC and its member companies.

Maplecroft is represented by:

Professor Alyson Warhurst

Bath, United Kingdom, 9 December 2009

Dr Kevin Franklin

Bath, United Kingdom, 9 December 2009

The Towers, St. Stephen's Road, Bath, BA1 5JZ, United Kingdom

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To the members of board of International Post Corporation

INDEPENDENT ASSURANCE REPORT ON THE POSTAL SECTOR SUSTAINABILITY REPORT 2009

This report has been prepared in accordance with the terms of our engagement contract dated 15 May 2009, whereby we have been engaged to provide an opinion in connection with the Postal Sector Sustainability Report 2009 (the "Sustainability Report") for the calendar year 2008 of International Post Corporation (the "Association").

Management's Responsibility

The Board of Directors of the Association has mandated its Sustainability Reporting Department with the preparation of the Sustainability Report, taking into account the criteria stated in the EMMS Guidelines issued by the Association (summarized on p.64) ("the Criteria").

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report, the reliability of the underlying information and the use of assumptions and estimates for individual Sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of IPC's Sustainability Department includes designing, implementing and maintaining systems and processes relevant for the preparation of the Sustainability Report.

Auditor's Responsibility

Our responsibility is to express an independent opinion about the EMMS indicators marked with a rhombus symbol (◊) set forth in the Sustainability Report (page 18) based on our work performed. Our assurance report has been made in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to the Association for our work, for this report, or for the conclusions that we have reached.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether the EMMS indicators of the Sustainability Report marked with a rhombus symbol (◊) has been prepared, in all material respects, in accordance with the Criteria issued by the Association.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the EMMS indicators marked with a rhombus symbol (◊) set forth in the Sustainability Report. The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated.

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We have evaluated the EMMS indicators against the Criteria. The accuracy and completeness of the EMMS indicators are subject to inherent limitations given their nature and methods for determining, calculating or estimating such indicator. Our Assurance Report should therefore be read in connection with the Criteria. The scope of our work included amongst others the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating EMMS indicators at IPC level and at member level ;
- conducting interviews with responsible officers, at IPC and member level;
- inspecting internal and external documents.

Conclusion

Based on our work, as described in this Assurance Report, nothing has come to our attention that causes us to believe that the EMMS indicators in the Sustainability Report marked with a rhombus symbol (◊), has not been prepared, in all material respects, in accordance with the Criteria issued by the Association.

Recommendations

As explained in the Sustainability Report, IPC is continuously developing its EMMS reporting system and policies. We recommend IPC :

- to build upon the progress made and to continue the standardisation of the reporting process by providing more detailed measurement and reporting guidance;
- to further improve the review process by strengthening the monitoring and reporting controls;
- to extend the scope of the report to those Scope 3 supply-chain emissions that have a significant impact on the total carbon footprint of the sector.

Brussels, Belgium, 9 December 2009

PricewaterhouseCoopers Bedrijfsrevisoren bcvba
Represented by

Marc Daelman
Bedrijfsrevisor

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Exclusions and Estimations

Company	Boundary	Period	Exclusions and Estimations
An Post	National	CY 2008	
Australian Postal Corporation	National	FY 2008	Includes subsidiaries, but excludes joint ventures. Carbon management proficiency is presented for FY07. Carbon performance data is presented for FY08 ending in June 2009
Canada Post Corporation	National	CY 2008	Excludes subsidiaries
Correos y Telégrafos	National	CY 2008	
CTT Correios de Portugal	National	CY 2008	
De Post – La Poste	National	CY 2008	
Deutsche Post DHL	Global	CY 2008	Exclusion of express business (in both CO_2 and turnover) and logistics
Groupe La Poste	National	CY 2008	No information on number of items of mail and parcels
Hellenic Post-ELTA	National	CY 2008	
Itella Ltd	National	CY 2008	Includes 89 percent of operations in Finland
Magyar Posta	National	CY 2008	
New Zealand Post	National	FY 2008	Carbon management proficiency is presented for FY07. Carbon performance data is presented for FY08 ending in June 2009
Posten Norge	National	FY 2008	
P&T Luxembourg	National	CY 2008	
Post Danmark A/S	National	CY 2008	Merged with Posten AB in 2009 but submitted separate EMMS data
Posten AB	National	CY 2008	Merged with Post Danmark A/S in 2009 but submitted separate EMMS data
Royal Mail Group	National	FY 2008	GLS excluded from reported figures
Swiss Post	National	CY 2008	Excludes subsidiaries
TNT	Global	CY 2008	Exclusion of express business (in both CO_2 and turnover). Scope 1 and Scope 2 emissions are 18 percent based on estimations
United States Postal Service	National	CY 2008	Renewable electricity is 100 percent estimated, electricity is 40 percent estimated and natural gas is 62 percent estimated

Indicator Definitions

Total CO_2 in tonnes per € 1,000 turnover: Includes the total CO_2 emissions from all Scope 1 and Scope 2 sources for all areas of business divided by the total company turnover in € and multiplied by 1,000 to determine emissions per € 1,000.

Total CO_2 in grams per item: Calculation of CO_2 emissions from all Scope 1 and Scope 2 sources. The emissions of CO_2 expressed in grams is then divided by the total number of items processed.

Percent of renewable energy used in buildings: Includes the total amount of renewable energy used in buildings from all sources of purchased and self-generated renewable energy (e.g. solar, wind, hydro, geothermal). Nuclear power, peat, and natural gas are not considered renewable energy sources. This figure is expressed as a percentage of total energy used in all buildings. The total energy should include the energy from all sources including, for example, electricity, oil and natural gas. A seperate indicator is presented on the percent of renewable electricity used in buildings. This indicator focuses only on the percentage of additional electricity purchased that is obtained from "green" sources, i.e. does not typically include green electricity already present in the national grid.

Percent of alternative vehicles in fleet: Includes the total number of alternative fuel vehicles within the owned vehicle fleet. This number is expressed as a percentage of the total number of vehicles that are owned by the company. Alternative vehicles are vehicles that run on fuels other than standard petrol and diesel. This includes electric vehicles, hydrogen vehicles, vehicles that run exclusively on biofuels or that that run on LPG and CNG. Excludes vehicles that run on bio/mineral fuel mixes that are at or below the nationally agreed minimum content of bio/mineral fuel.

IPC is Carbon Neutral

Our carbon footprint

In 2007, IPC's activities generated 1,042 tonnes of CO_2. This was mainly due to Scope 2 electricity consumption and Scope 3 business travel undertaken to visit our member companies. In 2008, the carbon footprint was reduced to 1,019 tonnes (minus two percent). This equates to 16.6 tonnes CO_2 per full time employee (2008), reduced from 17.4 tonnes in 2007. This reduced carbon footprint is mainly due to the switch to "green" electricity, our increased use of Forest Stewardship Council (FSC) certified paper and the implementation of a new public transport policy and company car policy.

Offsetting our emissions

IPC partnered with the Climate Neutral Group in 2009 to offset our emissions at the InfraVest Changbin Wind Farm Project Gold Standard project in Taiwan. The emissions associated with this report have also been offset by the Climate Neutral Group. This includes emissions associated with the Maplecroft verification engagements as well as the production and distribution of the report to IPC member companies. IPC is a member of the UN Global Compact and the Global Reporting Initiative.

www.climateneutralgroup.nl

Climate Neutral Group

ICROA
INTERNATIONAL CARBON REDUCTION AND OFFSET ALLIANCE

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100%

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